

August ____, 2017

Michael S. Regan
Secretary
North Carolina Department of Environmental Quality
217 West Jones Street
Raleigh, NC 27603

RE: Supporting Electric Vehicles in NC Cities through the Volkswagen Environmental Mitigation Trust

We urge the Department of Environmental Quality (DEQ) to direct Environmental Mitigation Trust funds the State will soon receive towards light-duty electric vehicle (EV) charging and mass transit electrification. The Trust funds represent a tremendous opportunity for our State to support the rapidly growing electric transportation sector and equip our communities with cleaner, more efficient technologies for our residents.

As you know, Volkswagen has entered into a consent decree with the federal government and the State of California to resolve damages, penalties, and mitigation actions associated with 2.0 liter vehicles involved in “Dieselgate.” Under the settlement terms, Volkswagen will deposit funds into an Environmental Mitigation Trust. North Carolina will receive nearly \$90 million from that Trust, which the State may use to fund a range of clean transportation programs and projects.

As a prospective agency charged to oversee North Carolina’s trust funds, DEQ will assemble a plan for distribution of North Carolina’s \$90 million allocation. Up to 15% of Environmental Mitigation Trust funds may be allocated to light-duty electric vehicle infrastructure. We recommend that the State’s plan reflect the maximum 15% allocation for EV charging, as those funds can cover 100% of the costs of this technology if deployed on public land. Furthermore, we believe that these investments are the fastest, most cost-effective use of the funds near-term.

In addition, for the remaining 85% of Environmental Mitigation Trust funds, we encourage the State to focus on electrification over other fuel sources as electrification will lead to the greatest transportation emissions

reductions. Given currently available technology, North Carolina should focus on electric buses and medium-duty transit vehicles. Bus electrification programs could support regional, municipal and school bus fleets.

We believe these recommendations are supportive of the statutory standards in that they will “attract new employers to the State,” “benefit small businesses,” “result in the use of . . . alternate fueled vehicles” and /or “reduce emissions from operation of transportation infrastructure through the repowering or replacement of State-owned modes of transportation.”

Thank you for consideration of our comments, and we look forward to reviewing the State’s plan for these significant funds and collaborating on transforming our communities.

Sincerely,

The Chatham County Board of Commissioners