

May 3, 2018

Michael Abraczinskas
Director, Division of Air Quality
North Carolina Department of Environmental Quality
217 West Jones Street
1641 Mail Service Center
Raleigh, NC 27699-1641

Dear Mr. Abraczinskas,

The North Carolina Sustainable Energy Association (“NCSEA”) appreciates the opportunity to submit comments on the State of North Carolina Draft Volkswagen Mitigation Plan (“Draft Mitigation Plan”) released in March 2018 by the Department of Environmental Quality’s (“DEQ”) Division of Air Quality (“DAQ”) to implementing the first phase of funding under the Volkswagen Environmental Mitigation Trust (“VW Settlement”).

Since the spring of 2016, NCSEA has led the North Carolina Electric Vehicle Working Group (“NCEVWG”).¹ The NCEVWG convenes an active dialogue toward the following goals:

1. Establish state policies that provide a level playing field for electric vehicles (“EVs”) to enter the market and maximize benefits to the grid;
2. Enable multiple, scalable business models that leverage the private sector to rapidly deploy EV charging infrastructure;
3. Develop guidance that helps the state and local governments plan for increased adoption of EVs and charging stations; and
4. Ensure that VW Settlement funds are used effectively and that the recommended 15% go toward EV charging infrastructure.

NCSEA is generally supportive of the Draft Mitigation Plan but provides the following recommendations to further strengthen a final plan.

DEQ may apply up to 15% of VW Settlement funds to light duty zero emission vehicle supply equipment, and the Draft Mitigation Plan proposes to allocate the full 15%.² **NCSEA recommends that the final mitigation plan more definitively allocate these funds to EV supply equipment.**³

¹ For further information, see the NCEVWG website at <https://energync.org/electric-vehicles-working-group/>.

² Draft Mitigation Plan, pp. 9-10.

³ See also, NCEVWG’s letter submitted in response to DEQ’s Volkswagen Settlement Request for Information, available at <https://files.nc.gov/ncdeq/Air%20Quality/motor/grants/files/VW/Web-comments/State-Government-Related-Comments.pdf> (pp. 15-17).

Both governmental and non-governmental entities are eligible to apply for VW Settlement funds, but the Draft Mitigation Plan proposes to only provide funding to public-sector or government-sector projects in the first phase of funding.⁴ NCSEA does not dispute that public-sector needs outweigh available funding; however, **NCSEA recommends expanding eligibility to allow non-profit organizations and private businesses to apply for VW Settlement funds during the first phase of funding.** Non-profit organizations and private businesses may be better positioned than public-sector or government-sector organizations to deploy resources that meet the goals of the Draft Mitigation Plan. The Draft Mitigation Plan states that DEQ will consider applications based on several evaluation factors and will give priority to projects that perform the highest overall.⁵ Recognizing that there are extensive public-sector needs, NCSEA proposes including in this scoring process a preference for public-sector applications without prohibiting applications from non-profit organizations and private businesses.

The Draft Mitigation Plan states that DEQ will develop a set of criteria and process for scoring and selecting applications.⁶ **NCSEA recommends that, for the 15% of funding set aside for EV supply equipment, DEQ's State Energy Program manage the process of soliciting applications, scoring and selecting applications, and managing contracts for Phase I of the mitigation plan.** The State Energy Program managed \$250 million in federal funds that were subject to reporting requirements more rigorous than those for the VW Settlement funds, and is more than qualified for managing the selection of applications and disbursement of VW Settlement funds.

The Draft Mitigation Plan states that DEQ has identified potential project partners, including environmental advocacy groups and clean transportation advocacy groups.⁷ **NCSEA stands willing to provide assistance for educational outreach, project development, and proposal review.** NCSEA will not be applying for VW Settlement funds and can serve as an independent reviewer whose employees have experience selecting contractors for government grants.

NCSEA appreciates the opportunity to comment on the Draft Mitigation Plan. Please contact me if NCSEA can be of any further assistance.

Sincerely,

/s/ Peter H. Ledford
Peter H. Ledford
General Counsel
NCSEA

⁴ Draft Mitigation Plan, p. 10.

⁵ Draft Mitigation Plan, p. 13.

⁶ Draft Mitigation Plan, p. 13.

⁷ Draft Mitigation Plan, p. 17.