



June 27, 2022

Texas Commission on Environmental Quality
Air Quality Division
Re: Comments on Texas Clean Fleet Program Guidelines

To Whom it May Concern:

Thank you for the opportunity to submit comments on the Texas Clean Fleet Program (TCFP) your agency administers through the TERP program. We recognize this is a step above and beyond your traditional process and welcome the opportunity to provide feedback.

Environmental Defense Fund has a clear yet challenging mission: preserve the natural systems on which all life depends. Guided by science and economics, we find practical and lasting solutions to the most serious environmental problems. As it relates to transportation and air quality, we employ in-house scientists and economists that partner with leading experts from across the world to develop solutions that can yield immediate and lasting results to the most critical problems facing our planet.

We have reviewed the proposed guidelines for the TCFP. The following are ideas we would like to share about them, before the program is opened for applications:

1. Create a Minimum of Grant Funding for Zero-Emission Vehicles

The way to maximize NOx emission reductions is to replace diesel-powered vehicles with zero-emission vehicles. The TCEQ should establish a minimum amount of grant funds available through the TCFP for applicants seeking to purchase zero-emission alternatives. This would align the program's funding priorities with the agency's statutory directive to utilize TERP dollars to "achieve maximum reductions in oxides of nitrogen to demonstrate compliance with the state implementation plan."¹

Setting aside a specific set of funding for zero-emission vehicles would also be consistent with the agency's recently published guidelines for the Alternative Fueling Facility Program.² The 50/50 split of funding between Compressed Natural Gas (CNG) and/or Liquefied Natural Gas (LNG) projects and all other fuel types established in that program is a good model that could be replicated with the TCFP grants – that is, at least 50% of funds should be used for zero-emission vehicles.

¹ [Texas Health and Safety Code](#), Sec. 386.052(b).

² [TCEQ FY 22 Webinar](#), May 25, 2022, Page 2.

While we believe zero-emission vehicles should have their own pot of money, including a certain number of plug-in hybrid vehicles to this category could be workable – providing the competitive scoring for NOx emissions reflected the benefits of ZEVs over hybrids and the rules establish a minimum electric range for these vehicles.

2. Balance Scoring for Cost-Effectiveness and Emissions Reductions

The proposed guidelines will award up to 50 points to projects with the lowest cost per ton of NOx reduced, and up to 30 points to projects with the highest projected NOx reductions.

The TCEQ should consider equalizing these two scoring options. As stated above, reducing NOx emissions is the primary objective of the TERP program. While cost effectiveness is important, it should be granted equal weight to the primary purpose of the TERP program – or, potentially, adjusted to recognize the broader societal benefits of greater reduced emissions, such as lower health care costs for individuals who get sick, which translates into less financial pressure on health care systems and less economic productivity lost since people would be sick less. Absent a recalculation of cost effectiveness to include these broader yet quantifiable cost metrics, adjusting the scoring criterion is another viable option for the agency to clearly prioritize emissions reductions.

3. Details for Waiver Requirements

The information regarding what qualifies for a waiver is more detailed than guidelines published for the TCFP in March 2020,³ which is a good improvement. We appreciate that TCEQ has worked with EDF to clarify that third-party scrappage – allowing an entity that is purchasing new trucks to acquire and remove from the road a diesel truck from an outside entity – is a permissible waiver request that TCEQ can consider.

As a technical matter, it would be good to know if there will be a sample form for waiver requests that TCEQ will provide for entities to use if desired. This would especially be helpful for those that need the extra guidance and/or assistance, as EDF continues to build partnerships between larger fleets with the capital to purchase 10 or more trucks at once and the smaller businesses looking to utilize third-party scrappage or other lease arrangements to qualify for the benefits of the program.

³ [TCEQ](#) Texas Clean Fleet Program guidelines, March 2020, Page 28

4. Travel in Clean Transportation Zones

The requirement to ensure at least 25% of the total annual mileage of any new vehicle occur in a Clean Transportation Zone makes sense towards the objective of reducing emissions. However, it does not necessarily reflect the way heavy-duty vehicles pollute.

For example, imagine heavy-duty vehicle moving goods from Dallas to Amarillo. On this approximate 365-mile one-way trip, only about 77 miles (21%) of the *mileage* occurs in Clean Transportation Zones – but up to 30% of the *travel time* could occur in these areas. An LNG or CNG truck making the trip would be releasing NOx emissions the entire drive. Use of a zero-emission vehicle, however, would utilize zero-emission fuel when in the Clean Transportation Zones – thereby eliminating any NOx emissions in key areas. As well, routes of vehicles that originate in these zones could potentially be structured to ensure that plug-in hybrids are utilizing zero-emission fuel while in these zones and switch over to traditional diesel fuel once in other counties. GPS would allow fleets and the agency to measure this alternative method for traveling in CTZs.

Though complicated, this type of travel accounting – measuring by time spent in CTZ areas either in addition to or in lieu of miles driven – should be in consideration for how TCEQ awards TCFP funds. EDF would be happy to work with the agency on further developing this idea, whether it is for this or future grant cycles.

5. Clarify the Definition for Plug-in Hybrid Vehicles

We would like for TCEQ to provide more information on how the agency defines a plug-in hybrid vehicle. One common definition is that the vehicle must have plug-in capabilities and utilize a minimum all-electric range (AER) to qualify. A clarifying definition defining of that type of hybrid vehicle would be beneficial to applicants.

6. Opportunity for Narrative Comments

Easily quantifiable metrics are critical to the administration of a grant program, especially one as wide-ranging as the Texas Emissions Reduction Program. As such, EDF recognizes that providing consideration or weight for a narrative, qualitative discussion of why an entity should receive grant funding can be a difficult and risky way to award state funding.



However, especially as it applies to ZEV trucks, there are numerous efforts underway throughout the state where securing ZEV trucks is part of a larger emissions reduction goal in a region of the state that violates health-based standards. Additionally, there are some companies driving in environmental justice communities where the switch from diesel to zero-emission trucks would be considerably more impactful to the people living in those areas, as compared to other areas of the state. While these companies may not be readily able to quantify the impact to their health, they can understand on a high level the concerns that communities have and how a transition to zero-emission trucks can help to mitigate those impacts.

Even if it is a component of an application that cannot be scored, we know from our work with fleets that there are some companies that would appreciate the opportunity to provide a narrative component of their application – even if it is just for the public record of submission, and as something they can share with their company and partners.

We hope you find these comments helpful as you prepare final guidance for the Texas Clean Fleet Program. EDF welcomes the opportunity to collaborate with TCEQ in these and other areas in the weeks, months, and years ahead. Should you have any questions, please do not hesitate to contact me directly.

Sincerely,

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