From:	Kate Teodosio
To:	DENR INTERNET INFORMATION; Regynski, Barb
Cc:	Eric McCarthy; Kent Leacock
Subject:	[EXT] Proterra Comments on South Dakota"s Draft BMP
Date:	Thursday, May 17, 2018 12:48:53 PM
Attachments:	image009.png Proterra Response to SD BMP.pdf

Good afternoon,

Please find Proterra's comments attached.

Thank you,

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May 17, 2018

South Dakota Department of Environment & Natural Resources
Attn: Barb Regynski

Re: Proterra's Response to South Dakota's VW Draft Beneficiary Mitigation Plan ("BMP")

Dear Ms. Regynski:

Proterra, the leading U.S. manufacturer of electric, zero-emission transit buses, appreciates the opportunity to provide comments on the draft spending plan, which describes South Dakota's overall intentions and plan for spending ~ $8.1M of South Dakota's VW allocation funding.

The proposed BMP appropriately prioritizes projects that reduce NOx and GHG emissions efficiently and cost-effectively across the entire state. To this end, Proterra strongly supports funding for the replacement of school, shuttle and transit buses. But it urges the state to fund the purchase of *zero-emission, battery-electric* buses – not buses fueled by CNG, propane or other alternative fuels. And it urges the state to increase the targeted percent of funding for the bus replacement program to 50% by reducing the targeted percent allocated for large and medium trucks and the DERA option.

Proterra certainly agrees with the statewide focus on achieving significant reductions in diesel emission exposures in priority air quality areas and areas that receive a disproportionate amount of air pollution from diesel vehicles. The state can accomplish both by investing heavily in battery electric buses. Replacing diesel buses with electric buses is simply one of the best investments the state can make to help electrify public transit and improve ambient air quality throughout South Dakota. We believe that the best way to accomplish the state's VW goals is to use the funds from the trust to fund 110% of the incremental cost of a new electric transit bus and associated charging infrastructure. This approach will help spur the adoption of a greater number of electric buses among transit agencies, airports and universities.

The electrification of heavy duty vehicles offers a pathway towards achieving the numerous benefits associated with zero emission transit. Indeed, Park City, Utah's recent deployment of Proterra electric transit buses is the poster child for why states should emphasize the electrification of transit buses with their VW mitigation funding. In June 2017, Park City Transit deployed six battery electric buses. In a four-month period the electric fleet traveled more than 160,000 miles using 269,400 of kWh electricity, resulting in an average fuel efficiency of 1.7 kWh/mile, or just over 22 MPGe (compared to 4 MPG for Park City's diesel buses). The electric buses displaced the use of ~ 32,000 gallons of diesel fuel in their first four months alone, while eliminating more than 801,000 lbs. of GHG emissions. Additionally, the electric buses have saved Park City Transit money through the savings in fuel and maintenance. In fact, the cost per mile of operation has dropped from a high of $0.63 a mile using diesel to a low of $0.30 using electricity. Not surprisingly, Park City has seen an increase in ridership on those routes utilizing zero emission buses, causing other municipalities to determine how they too can add and/or increase the number of zero emission buses on the road.

Your Office has indicated the importance of using VW funding to reduce the primary sources of mobile NOx emissions in the state, and buses are certainly a leading culprit. But to achieve that goal, Proterra encourages the DENR to promote

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the adoption of zero-emission technology, and not "near-zero" technology (i.e., do not allocate funding for "clean diesel," propane or natural gas vehicles). Nationally, 7,461,458 tons of NOx, or 55% of the 13,489,110 tons of NOx emitted derive from mobile sources; 35% attributable to on-road sources.[1] In the state of South Dakota, 50,987 tons of NOX, or 48% of the 105,638 tons of NOx emitted are from mobile sources.[2] On this basis alone, we urge DENR to use ~50% of its VW funds specifically to advance the electrification of public transit buses in those areas disproportionately impacted by the VW diesel vehicle emissions. By doing so, South Dakota will help achieve its program goals, including the reduction of NOx, greenhouse gases and other pollutants.

Thank you for the opportunity to provide comments on the draft spending plan. Please feel free to contact me directly about these comments or Proterra's initial project proposal titled *The Public Transit Electrification Project: Sustainable Mobility for South Dakota*. I can be reached at 864-214-2668 or emccarthy@proterra.com.

Sincerely,

Eric J. McCarthy
SVP, Government Relations, Public Policy and Legal Affairs
Proterra Inc.

[1] https://www3.epa.gov/cgi-bin/broker?polchoice=NOX&_debug=0&_service=data&_program=dataprog.national_1.sas

[2] https://www3.epa.gov/cgi-bin/broker?_service=data&_debug=0&_program=dataprog.state_1.sas&pol=NOX&stfips=46