



October 11, 2016

## REQUEST FOR PUBLIC COMMENT REGARDING THE VOLKSWAGEN AND AUDI PARTIAL SETTLEMENT

The Colorado Department of Public Health and Environment (CDPHE) requests public comment on all aspects of Colorado's implementation of the proposed VW and Audi partial settlement. Among other things, the settlement would establish an Environmental Mitigation Trust that allocates about \$61 million to Colorado for certain emission reduction projects. Public organizations, private entities, and individuals may receive funding for eligible projects. CDPHE is the state's lead agency to implement the trust. Depending on when the court approves the settlement and the trust is finalized, CDPHE anticipates that Colorado could begin soliciting project applications in mid-2017 and funds would be available by the end of 2017. More information about the settlement can be found at [www.colorado.gov/CDPHE/VW](http://www.colorado.gov/CDPHE/VW).

Please submit any comments and information by November 21, 2016 to [cdphe.commentsapcd@state.co.us](mailto:cdphe.commentsapcd@state.co.us) or in person at the November 7, 2016 public meeting. CDPHE particularly seeks comment on the following issues regarding the Environmental Mitigation Trust:

1. How the settlement money should be distributed, spent, and accounted for
2. How to maximize the air quality benefits resulting from the trust
3. Whether projects should be fully funded or partially funded (the trust allows reimbursement of 25%-100% of eligible costs, depending on the project category)
4. What process should Colorado use to solicit, review, and approve or disapprove applications for funds?
5. Whether to set aside funds for particular categories of projects or applicants
6. Whether to give preferences to certain fuels, such as diesel, compressed natural gas, propane, hydrogen fuel cell or battery electric
7. The emission reductions achievable from each eligible mitigation measure
8. The costs and benefits of replacing or repowering vehicles with "Alternate Fueled" or "All-Electric" engine technologies, as defined by Appendix D-2.
9. The percentage of trust funds, if any, that Colorado should devote to Light Duty Zero Emission Vehicle Supply Equipment
10. Whether to expend trust funds on the "DERA Option"
11. How to determine whether a proposed project will benefit areas that have been disproportionately impacted by emissions of nitrogen oxides (NOx) or other pollutants, and information about such impacts in particular areas of Colorado
12. The criteria for evaluating applications for funds. How should Colorado consider the following factors, and what other factors should it consider?
  - a. Reductions in emissions of NOx and other pollutants

- b. Ozone, particulate matter, visibility, climate change, public health and other environmental values
  - c. Project costs and benefits
  - d. The economic impacts of proposed projects
  - e. The geographic distribution of funds
  - f. The division of funds between the categories of eligible projects
  - g. An applicant's status as a government agency, large business, small business, individual person, or other category
  - h. Whether a project applicant is low income, minority, or disadvantaged or operates vehicles in these communities
  - i. Benefits to areas that have been disproportionately impacted by NOx and other pollutants
  - j. The number of affected vehicles registered in the county where the project is proposed or predominantly operated in those counties
  - k. The project's potential to accelerate a broader transition to Alternate Fueled or All-Electric vehicles
13. How should Colorado account for existing programs, such as ALT Fuels Colorado or Charge Ahead Colorado, when implementing the settlement?
14. What are the pros and cons of awarding funds through the processes currently used for ALT Fuels Colorado and Charge Ahead Colorado? What changes, if any, would be needed to adapt the ALT Fuels and Charge Ahead Colorado award processes to the VW settlement?
15. Should Colorado consider the possibility that some projects might occur in the absence of trust funding, or that equipment purchased with trust funds might be quickly sold or moved out of state?
16. CDPHE will conduct public outreach through in-person and online public meetings, presentations to stakeholder groups, Facebook posts, tweets, written comments and traditional media. What additional factors, if any, should CDPHE consider in its public outreach?