

January 13, 2017

Hinrich Woebcken
President and CEO
Volkswagen Group of America
2200 Ferdinand Porsche Drive
Herndon, VA 20171

Re: Appendix C of Volkswagen Settlement Consent Decree (ZEV Investment Plan)

Dear Mr. Woebcken:

We are pleased to see that the finalized settlement agreement includes dedicated funds to advance zero-emission vehicles (ZEVs) and ZEV infrastructure. Transportation electrification is vital to increase energy security, improve public health, and achieve federal air quality and carbon emissions reduction goals. We, the undersigned, are writing with the following recommendations to ensure that investments made with the settlement's Appendix C funds are forward-thinking, equitable, and will result in meaningful, nationwide emissions reductions from the transportation sector.

1. **Investments should be prioritized in areas with high levels of air pollution and in communities disproportionately impacted by air pollution.** We believe VW should prioritize investments in areas that suffer from higher levels of air pollution and in disadvantaged communities, including those with low-income residents and people of color who are often disproportionately exposed to air pollution. For the allotment of funds assigned to electric vehicle (EV) infrastructure programs, we believe there should be a minimum investment commitment in disadvantaged communities.
2. **Investments should be prioritized in market segments at sites that are best situated to advance EV market penetration.** We believe EV infrastructure investment should be made in market segments that experts have found to be integral for accelerating and supporting the EV adoption. These include multi-unit dwellings, workplaces, and highway corridors.
3. **Load management is critical as investments in infrastructure are made.** Because EVs are only driven during a small fraction of the day, they represent a flexible and manageable load. If EV charging load is well-integrated with the electric power system, it can be used as a demand response resource, facilitate the integration of renewable energy, and "fill valleys" in load whereby placing downward pressure on electricity rates for all customers. At higher levels of EV penetration, additional load placed on the grid, if not properly managed, could strain the grid and unnecessarily increase pollution from power plants. VW investments should support charging technology with load management capabilities and incorporate or evaluate load management tools such as demand response, solar and battery storage, and rate design.

4. **The process should be transparent.** We agree that VW should make all submittals by third parties available for review online, and that the company should be transparent in its decision-making process and allow for meaningful public input.
5. **Investment should be additive to existing and planned infrastructure and should foster a competitive market for charging infrastructure services.** We believe it is important to ensure that the investments are structured to address gaps in the current market and in current funding sources and not displace existing or planned investments by other entities, including other third party charging entities, utilities, or governments. We also believe investments should be properly structured to ensure that it fosters a robust and competitive market for charging infrastructure and services.
6. **Investments in EV infrastructure should translate into fuel cost savings for drivers.** One of the great benefits of owning and operating EVs are their far lower lifetime fuel (electricity) and maintenance costs. To ensure that VW's investment in charging infrastructure accelerates EV adoption, VW should strive to ensure that EV drivers have the opportunity to maximize fuel cost savings at stations deployed the company.
7. **Education and outreach should be conducted in partnership with dedicated organizations and entities.** We are pleased to see that settlement funds will be spent in part on public education. Indeed, most Americans are still unaware of the many benefits of switching to EVs. To ensure that education and outreach are successful, ideal outreach efforts will be done by and in partnership with organizations experienced in community education and/or with electric vehicle promotion. Many of the undersigned organizations, among others, have such experience.

Thank you for your attention to these important matters.

Sincerely,

Megan Herzog, Staff Attorney, Conservation Law Foundation

Max Baumhefner, Attorney, Clean Vehicles & Fuels, Natural Resources Defense Council

Charles Griffith, Director, Climate & Energy Program, Ecology Center

Ron Freund, Chairman, Electric Auto Association

Robert Kelter, Senior Attorney, Environmental Law & Policy Center

Michael Noble, Executive Director, Fresh Energy

Orson Aguilar, President, The Greenlining Institute

Gina Coplon-Newfield, Electric Vehicles Initiative Director, Sierra Club

Carol Lee Rawn, Director, Transportation Program, Ceres

Daniel Gatti, Policy Analyst, Clean Vehicles Program, Union of Concerned Scientists

Jennifer Wallace-Brodeur, Transportation Efficiency Director, Vermont Energy Investment Corporation