

VW Settlement Overview

Elena Craft, PhD

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Outline

- Volkswagen (VW) Settlement
 - Environmental Mitigation Trust
 - Zero Emission Vehicle (ZEV) Investment Commitment
 - Timelines
 - Who is doing what?
 - Texas
 - Everyone else
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VW's Emissions Cheating

- 590,000 diesel vehicles in US affected
- Model year 2009-2016
- Vehicles equipped with defeat devices to cheat emissions tests
 - NOx vs. fuel economy
- NOx emissions were up to 40x higher
- Barrett, *et al.* (2015)
 - 59 premature deaths already
 - \$450 million in health and social costs already

Overview of VW Settlement

1. 2.0-liter engines

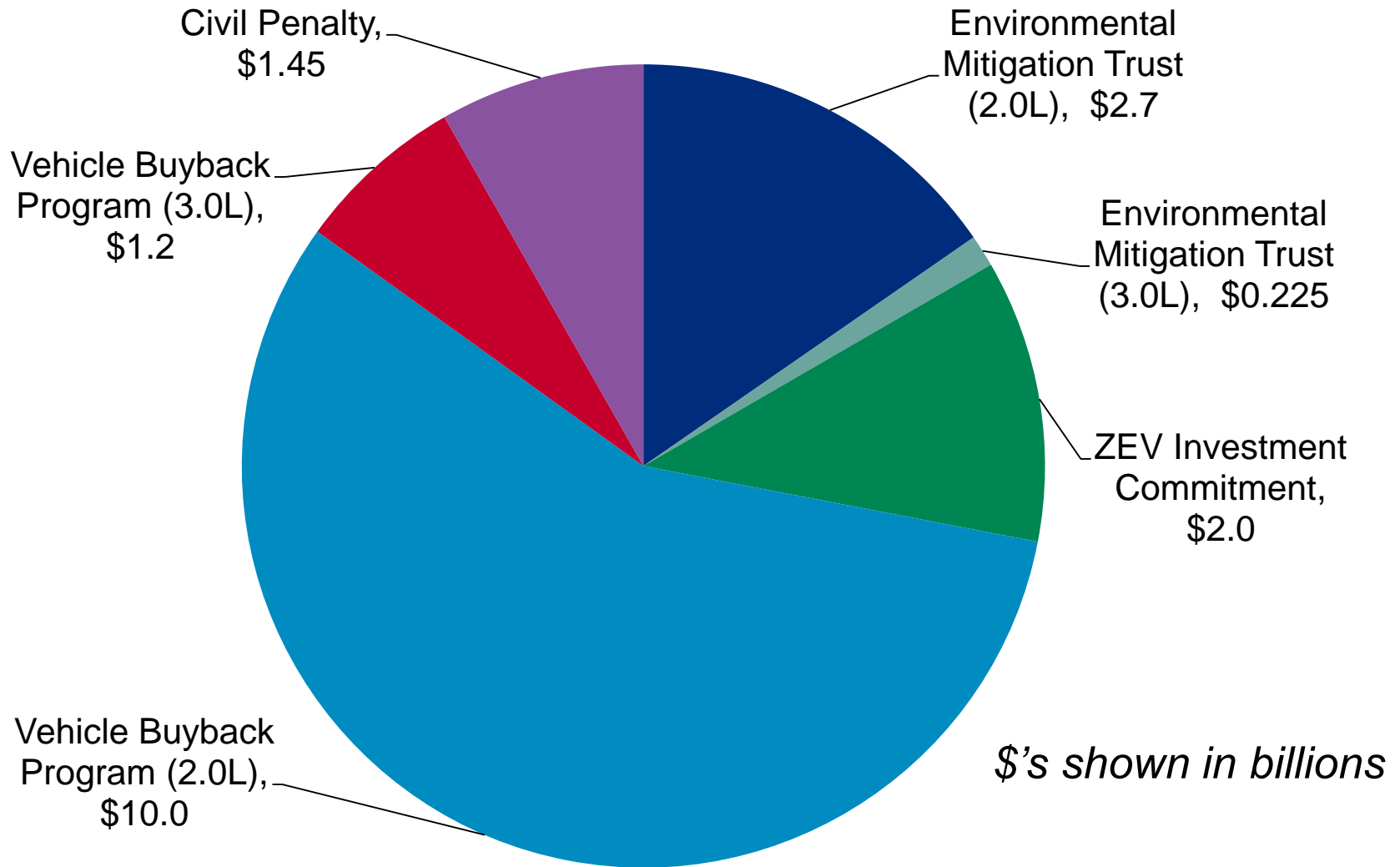
- Vehicle buyback & modification
- Environmental mitigation trust
- ZEV investment commitment

2. 3.0-liter engines

- Vehicle buyback & modification
- Environmental mitigation trust

3. Civil penalties

Partial Consent Decrees



VW Settlement & Texas

	Environmental Trust	ZEV Investment Commitment
Goal	Mitigate NOx emissions	Facilitate increased use of ZEVs
Funds	\$2.7 billion + \$225 million Allocated based primarily on # of affected vehicles Texas: ~\$209M	\$2.0 billion (\$800 million for CA, \$1.2 billion for rest of US) Texas: Houston (1st round)
Beneficiary	Texas / other states will control how funds are spent	No “beneficiaries” (CA & US plans), but VW (operating as “Electrify America”) to decide
Projects	10 eligible project categories (focused on medium- and heavy-duty applications in the marine, locomotive, onroad, and port/airport sectors; includes up to 15% for light-duty ZEV infrastructure & DERA option)	US Plan: ZEV infrastructure, education & access CA Plan: above projects, plus heavy-duty infrastructure, ZEV scrap/replace, “Green City”


Timeline: Environmental Trust

- **Trust Effective Date (TED): ?**
- **TED +60 days:** Texas to submit paperwork to be designated beneficiary and identify lead agency
- **TED +120 days:** Trustee to approve/deny beneficiary status
- **TED +210 days** (no later than 90 days after being approved as beneficiary): *Beneficiary Mitigation Plan* submitted

Beneficiary Mitigation Plan:

- Must be made publically-available
- Include description of beneficial impacts & range of emissions benefits
- Explain how beneficiary will solicit & consider public input for plan

Timeline: ZEV Investment

- \$1.2 billion to be spent over 10 years (4 cycles)
 - Cycle 1 (Q1/17 – Q2/19)
 - Houston selected as one of initial 11 priority areas for community-based local network
 - Cycle 2 (Q3/19 – Q4/21)
 - Cycle 3 (Q1/22 – Q2/24)
 - Cycle 4 (Q3/24 – Q4/26)
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Planning for VW projects

- **Texas** – grassroots (planning discussion by Texas Clean Air Working Group, proactive regions, some communities)
- **Other states**
 - Soliciting public input: AZ, VA, OR, NY, CT, GA
 - Formalized priority areas: OH
 - State agency designated: IA, AK, AZ, CT, DE, HI, ID, KS, NV, NM, OK, OR, TN, VA
 - Dedicated websites/information: many

