

January 18, 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 appreciate the opportunity to submit our proposal regarding the ZEV Investment Plan as part of the Volkswagen Group of America settlement to accelerate the adoption of electric vehicles and supporting charging infrastructure. Charge Up Midwest is a coalition of organizations throughout the Midwest that aims to advance transportation electrification efforts in the region through diverse partnerships, advocacy, and outreach. We plan to:

1. Advocate for new EV policies and programs that substantially and sustainably increase the number of EVs that are available, sold, and in use in the Midwest; and
2. Work collaboratively with utilities to encourage leadership to drive new EV deployment while maximizing grid, criteria pollutant reduction, and carbon reduction benefits. This includes strategic investment in EV infrastructure, outreach and education programs, rebates and incentives, and rate designs that benefit EV drivers, the grid, and the integration of renewable energy resources.

Though the East and West Coasts have benefited from more federal investment in charging infrastructure and more attention from automakers selling EVs, we see a significant opportunity

in America's heartland to spur EV adoption and investments that benefit our air and climate while strengthening our economy. With a population of 67.9 million in 2015, the Midwest is home to more than one-fifth of the nation's people. Engaging this broad market has the potential to make a large impact on national NOx transportation emissions and other criteria pollutant emissions.

This transportation electrification opportunity is most clearly manifested in current utility and environmental advocate engagement on the development of charging infrastructure and additional market acceleration programs necessary to support widespread vehicle electrification throughout the Midwest. For example, Kansas City Power & Light's Clean Charge Network has significantly increased public access to charging infrastructure in its service area. Several other utility pilot proposals – each with unique opportunities to advance beneficial electric vehicle rate designs and market acceleration programs – are currently under consideration before the Missouri Public Service Commission via Ameren Missouri, the Michigan Public Service Commission via Consumers Energy, and the Public Utilities Commission of Ohio via American Electric Power. In addition, Xcel Energy in Minnesota has initiated a pilot project to test smart EV charging technologies that will enable cheaper metering today, and two way communication with the grid in the future to unlock the grid benefits of EV charging.

Even with these developments, prospective EV drivers from the Midwest and across the country can still benefit from coordinated and complementary VW investment in charging station networks in the region. The Midwest, at the crossroads of America, must play an integral role in any national highway corridor DC Fast Charging network. With many large population centers separated by longer distances than urban areas on the East Coast, the value of a robust DC Fast Charging network in the Midwest becomes even more critical to supporting EV adoption and driving additional EV sales by prospective vehicle buyers.

Additionally, the Midwest's metro areas are prime candidates for strategic investment in charging infrastructure: there are significant opportunities to deploy charging stations at multi-

unit dwellings, workplaces, and disadvantaged communities in cities like Chicago, Minneapolis-St. Paul, Detroit, and Columbus. We emphasize these specific market segments in metro areas because charging station deployment at these sites will likely have the greatest potential to accelerate EV adoption. These areas – particularly multi-unit dwellings and disadvantaged communities – also present unique deployment challenges to would-be market participants. However, strategic VW investment can help overcome these challenges and will likely enable a broader and more diverse EV market to flourish in selected metro areas. Robust load management plans for these stations will also be critical for ensuring the reliability of the grid and allowing EV drivers to realize fuel cost savings from switching to electric fuel.

Potential Midwest Metro Area Candidates for VW Investment

City	Activity, Commitment, or Opportunity
<b>Chicago, Illinois</b>	<ul style="list-style-type: none"> <li data-bbox="565 1052 1365 1157">▪ The Chicago Department of Transportation manages Drive Clean Chicago, a \$14 million incentive program to electrify vehicle fleets that operate in the city.</li> <li data-bbox="565 1205 1398 1352">▪ The Chicago Transit Authority (CTA) was the first large metro transit agency to incorporate electric buses into regular service in 2014. The CTA has also committed to purchasing 20-30 additional electric buses over the next several years.</li> <li data-bbox="565 1400 1406 1547">▪ Chicago’s high density population and large number of metro area employers make it an ideal location for Level 2 charging station investment in multi-unit dwelling and workplace charging stations.</li> <li data-bbox="565 1596 1395 1818">▪ Investment could help expand the EV charging network into some of Chicago’s environmental justice communities in the South and West Sides. This would both unify the otherwise fragmented network and help to electrify and support ride share fleets that serve the transportation needs of Chicago’s most disadvantaged and underserved residents.</li> </ul>

**Minneapolis-St. Paul,  
Minnesota**

- Strong and growing leadership from the major electric utilities (Xcel Energy) and cooperatives (Great River Energy and member cooperatives like Connexus Energy and Dakota Electric Association) exist in the state. These electric companies are already active in the EV sector, and would welcome the opportunity to collaborate on additional charging build-out.
- A network of local governments through the Metro Clean Energy Resource Teams are available to help identify specific charging station sites, and have already submitted a separate proposal providing local government support in over 40 metro area municipalities.
- The Sustainable Growth Coalition, representing 30 large companies (including several Fortune 500 companies) is exploring ways to encourage increased EV demand growth through workplace charging, fleet procurement, and promotion to employees.
- A network of developers and building managers organized by Fresh Energy and Plug-In-Connect exists for those interested in multi-family building charging.
- A brand neutral comprehensive EV educational platform is run by the Drive Electric MN partnership.

**Detroit, Michigan**

- Detroit has committed to a 10 percent plug-in electric vehicle carve out for all service vehicles purchased in 2017. The city has also set an annual goal to replace 10 percent of light-duty vehicles taken out of service with plug-in electric vehicles and use Low Speed Electric Vehicles for transit police and safety and security staff.
- Other City partners, such as DTE Energy, NextEnergy, and the Southeast Michigan Regional Energy Office, have developed robust plans for expansion of EV charging and integration with the electricity grid.

**Columbus, Ohio**

- Columbus was the winner of the U.S. Department of Transportation Smart Cities grant in 2016.
- The city has committed to procuring 200 plug-in electric vehicles for its fleets and installing the necessary infrastructure to support those vehicles over the next three years. The city has also committed to adding 1,600 new Level 1 and 300 Level 2 charging stations in the region.
- Columbus also plans to drive the adoption of an additional 448 plug-in electric vehicles within the city's private fleets.

The Midwest is ready to drive EV adoption forward, and the VW settlement has the potential to accelerate this process. However, VW investment should not displace existing and proposed charging infrastructure by utilities and other entities; rather, it should complement and augment the value of those infrastructure networks. With this in mind, we look forward to working with Volkswagen Group of America and a broad array of stakeholders to develop the infrastructure, education, and outreach programs necessary to catalyze widespread EV adoption in the Midwest. Only through a prudent, transparent, and coordinated effort can we meaningfully mitigate air pollution, safeguard our climate, and strengthen our economy through transportation electrification.

Sincerely,

Charge Up Midwest

*Natural Resources Defense Council*

*Ecology Center*

*Great Plains Institute*

*Environmental Law and Policy Center*

*Clean Fuels Ohio*

*Fresh Energy*

## Charge Up Midwest Partners



NATURAL RESOURCES DEFENSE COUNCIL



**ECOLOGYCENTER**

Healthy People, Healthy Planet



**GREAT PLAINS  
INSTITUTE**

Better Energy. Better World.



**ENVIRONMENTAL LAW  
& POLICY CENTER**



*Clean Fuels Ohio*



**Fresh Energy**