

Ms. Treece,

The following is in response to the Request for Information regarding the State of Arkansas Volkswagen Environmental Trust Beneficiary Mitigation Plan. These comments are presented on behalf of CenterPoint Energy, Black Hills Energy Arkansas, and Arkansas Oklahoma Gas Corporation.

A. CNG School Bus Pilot Program

- Can we collaborate with the AR state purchasing program to include CNG school buses?
- The pilot school districts should be able to incorporate CNG bus replacements over multiple years to meet budget constraints.
- What defines a pilot school district?
- We propose an 80/20 cost share (80% mitigation funds/20% school district funds).
- Change references of “cost-match” to “cost-share”.

C. Statewide Alternative Fuels Grant Program

- Does this include privately owned waste haulers with government and/or private contracts?
- Consideration should be given to include projects that encompass a multi-year replacement program. Budget constraints can hinder adoption of multiple vehicles in one year. By allowing a multi-year program, private CNG station developers could be enticed by an assurance that a private CNG fleet would continue to expand because of the grant program.
- Include proximity to alternative fuel corridors in the project proposal scoring system.

D. Funding Allocation

- We propose an 80/20 cost share for eligible class 4-8 government owned vehicles.
- Proposed reallocation of budget to account for demand for replacement of government owned vehicles (e.g. refuse trucks):

Budget Category	% of Total Funds	Estimated Funding Allocation
CNG Pilot Programs	50%	\$7,323,854
EV Infrastructure	15%	\$2,197,156
Statewide CNG/EV Grant	35%	\$5,126,698

Appendix C – Alternative Fuel Corridors

- Approximately 7 years ago, multiple meetings were held at the Energy Office to identify CNG Corridors. One of the corridors considered was Highway 412. With the current CNG station in Springdale and the one in Jonesboro the corridor could be complete with a CNG station in Mountain Home or vicinity.
- Similarly, a CNG station located in Van Buren or vicinity would establish I-40 as a designated CNG alternative fuel corridor, as it would be within 150 miles of both Conway and Webbers Falls, OK.