

March 8, 2013

GENERAL MOTORS' CONSIDERATIONS ON THE CAP & TRADE AUCTION PROCEEDS INVESTMENT PLAN (DRAFT CONCEPT PAPER)

General Motors is pleased to have the opportunity to provide our comments on the *Cap-and-Trade Auction Proceeds Investment Plan, Draft Concept Paper*. General Motors continues to develop and deploy a diverse portfolio of vehicle technologies to reduce greenhouse gas emissions (GHG), reduce fuel consumption, displace petroleum, and improve air quality.

Our commitment to the electrification of the automobile is well-defined. General Motors has the best-selling plug-in electric vehicle (PEV) in California and the United States, the Chevrolet Volt, and will launch the Chevrolet Spark EV and the Cadillac ELR later this year and into 2014. General Motors also remains a world leader in hydrogen fuel cell technology. Project Driveway, the first substantial customer-facing fleet, continues to accumulate miles having reached over 2.6 million since 2007.

General Motors supports California's portfolio approach to the market development of advanced vehicle technologies and alternative fuels through each of its programs. In addition to our market-leading electrified vehicles, General Motors' offers vehicles powered by compressed natural gas, liquefied propane gas, and biofuels, which play an important role in reducing emissions and displacing petroleum.

General Motors' comments on the *Cap & Trade Investment Plan (Draft Concept Paper)* are being provided in the context of supporting both short-term and long-term strategies to promote the adoption of advanced vehicles and the infrastructure required to support their market adoption. Each technology can play an important role in reducing GHG emissions.

A key priority should be supporting consumer adoption of advanced, clean vehicle technologies. One of the most successful incentive programs in California has been AB118 Clean Vehicle Rebate Program (CVRP). These funds provide direct benefits to all zero-emission vehicle customers and have had a measurable impact on PEV sales in California over the last two years. Customers have clearly responded to the magnitude of the incentive and ease of participating in the program.

To meet the established goals of AB118 and the Governor's *ZEV Action Plan*, both of which complement the goals of this *Cap & Trade Investment Plan*, General Motors believes a key investment priority should be the long-term funding certainty associated with CVRP. As CVRP has already had to be "supplemented" by other State programs, it is important consumers have the confidence that CVRP will be available into the foreseeable future.¹

General Motors also believes it is important to note that CVRP could act as a model for other vehicle and customer-facing infrastructure programs. General Motors has seen success with programs that are clearly-defined, easily communicated, and provide consumers the opportunity to choose the right technology to meet their needs and preferences.

¹ For example, in each of the FY2012-13 and FY2013-14 AB118 Investment Plans, the Energy Commission has allocated funding for CVRP. At the February 28, 2013 Business Meeting, the Commission finalized an interagency transfer of \$4.5M to the Air Resources Board.

Deploying advanced, clean vehicles requires sufficient refueling infrastructure. General Motors believes complimentary policies and programs are necessary to deploy the required infrastructure to support low and zero-emission vehicles. Consumers need to know they have safe, convenient access to refueling options whether they are charging their plug-in electric vehicle at home or filling their fuel cell electric vehicle (FCEV) at a neighborhood station. Furthermore, continued investments in refueling infrastructure confidently communicates to current and potential customers that their refueling options will continue to expand.

While General Motors believes the *Cap & Trade Investment Plan* should consider supporting all low-carbon fuels, supporting infrastructure for zero-emission vehicles should remain a priority. Specific focus should include residential and workplace charging as well as hydrogen infrastructure. The safest, most convenient place for a PEV owner to charge his/her vehicles will normally occur at home where they are able to take advantage of low-cost, off-peak charging at home. Owners of FCEVs will need to have the confidence that the hydrogen station network will be able to support their needs.

General Motors also strongly supports the development of charging solutions for current and potential PEV owners at multi-unit dwellings where gaining access to charging may impact a vehicle purchase decision. Lastly, General Motors sees important synergies with workplace charging—not only can access to charging at businesses increase zero emissions miles and avoid stranded investments, but it may also be an important enabler for fleet electrification and support those living in multi-unit dwellings.

Stakeholder planning and market readiness activities are significant drivers towards the adoption of advanced, clean vehicles. While technology readiness and program execution are key aspects to developing and deploying advanced vehicles and alternative infrastructure, General Motors believes market readiness and planning activities are crucial tools towards customer acceptance of new vehicle technologies. General Motors believes education and outreach to a broad range of stakeholders, such as planning and permitting officials, first responders, elected officials, and local residents, should not be understated. General Motors encourages these tasks to be captured in the *Cap & Trade Investment Plan*.

General Motors appreciates the opportunity to submit these comments on the draft concept paper. We are committed to working with each of State agencies and stakeholders involved in the development of the *Plan* to offer our insight into the transportation considerations.

Respectfully submitted,

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