



COMMENTS OF THE CHARGE AHEAD CALIFORNIA CAMPAIGN ON PROPOSED AMENDMENTS TO THE ENHANCED FLEET MODERNIZATION PROGRAM

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1 Summary of Contents

The steering committee members of the Charge Ahead California Campaign (Coalition for Clean Air, Communities for a Better Environment, Environment California, The Greenlining Institute, and the Natural Resources Defense Council) submit these comments to the Air Resources Board (“ARB” or “Board”) on the *Staff Report: Initial Statement of Reasons for Proposed Rulemaking; Proposed Amendments to the Enhanced Fleet Modernization Program* (“Staff Report” or “Proposed Amendments”).

The Charge Ahead California steering committee commends staff for a thoughtful and comprehensive response to the directives contained in Senate Bill 459 (Pavley, 2013) to ensure the Enhanced Fleet Modernization Program (“EFMP”) reflects the purpose conveyed in the program’s name — ensuring both the retirement of older, polluting vehicles and their replacement with newer, cleaner, and more efficient vehicles.

Findings

1. The Staff Report represents a considerable effort to implement the directives contained in SB 459.
2. Restricting retirement only incentives to low-income households and ensuring the functionality of retired vehicles is warranted.
3. The emphasis on education and outreach in partnership with community-based organizations is critical.
4. The tiering of incentives based on household income and vehicle efficiency and the inclusion of a “mobility option” should provide lasting cost savings for participants and significant emissions benefits.

Recommendations

1. The minimum efficiency requirement for conventional replacement vehicles should be raised to provide greater lasting fuel cost savings and emissions reductions.
2. The retire-and-replace pilot programs should be coordinated with the implementation of pilot programs in disadvantaged communities proposed in the *Fiscal Year 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments*.

2 Restricting Retirement-Only Incentives to Low-Income Households and Requiring a Demonstration of Functionality Aligns with the Unique Mission of the Enhanced Fleet Modernization Program

Charge Ahead California supports the proposal to limit the retirement-only portion of the EFMP, which is somewhat indistinguishable from the Consumer Assistance Program (“CAP”), to lower-income households. This restriction better aligns with the portion of the mission that is shared between those two different programs and ensures more funding will be available for retirement-and-replace incentives.



The requirement of a Smog Check to demonstrate vehicle functionality also speaks to the different missions’ of the CAP and the EFMP, the latter of which is meant to improve air quality. As noted in the Staff Report, the use of incentives to retire vehicles that would have been scrapped regardless does not reduce emissions.¹

3 The Modifications to the Retire-and-Replace Program Should Better Serve Low and Moderate Income Households and Improve Air Quality

The steering committee members of the Charge Ahead California campaign commend staff for a comprehensive set of changes designed to prove a workable and scalable model for EFMP. The retirement and replacement of older vehicles with significantly cleaner and more efficient vehicles should provide meaningful and lasting emissions reductions, operating cost savings and improved safety.

3.1 The Emphasis on Education and Outreach and Partnerships with Community-Based Organizations is Critical

The requirements outlined in the staff report designed to ensure meaningful partnerships with community-based organizations in conducting education and outreach for the retirement-and-replace pilot programs is welcome and in-line with the directives contained in SB 459. Adherence to these requirements will be critical if the proposed pilots are to succeed.

3.2 The Proposed Modifications to the Retirement-and-Replace Program Should Better Serve Low and Moderate Income Households and Ensure Environmental and Public Health Benefits

The limitation of incentives to low and moderate income households, the assistance to complete transactions, the inclusion of consumer protections, the requirement to target high-emitting vehicles and to prove functionality all speak to the directives included in SB 459. The same is true of the tiered approach to incentives, with greater incentives for lower income households and for more efficient vehicles.

The steering committee members of the Charge Ahead California campaign specifically commend ARB staff for proposing the addition of incentives for participants to go “car-free” by providing support for transit passes and car sharing membership. The “Alternative Transportation Mobility Option” is very much in the spirit of the “mobility option” described in SB 1275 (De León) and could represent the nation’s first combination of VMT-reducing strategies with a vehicle scrap program.

3.3 Raising the Minimum Efficiency Threshold of Conventional Replacement Vehicles Should Provide Greater Lasting Operating Savings for Participants and Emissions Reductions

Not relying exclusively on hybrid or plug-in vehicles or the “Alternative Transportation Mobility Option” is appropriate, but the proposed minimum efficiency requirements for conventional vehicles could leave “money on the table” for many participants. For example, a household that purchases a 27 mpg conventional car instead of a 20 mpg car at the same price point will save

¹ Staff Report, p. 8.



approximately \$750 annually.² Raising the minimum efficiency requirement will also provide significant additional emissions reductions.

3.4 The Retire-and-Replace Pilots Should Be Coordinated with Pilots Proposed in Disadvantaged Communities

The implementation of the EFMP retirement-and-replace pilot programs pilot should be coordinated with pilot programs in disadvantaged communities proposed in the Board’s *Fiscal Year 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments*, given the significant overlap in the tiered incentives for more advanced efficient vehicles, mobility option, car sharing, financing, and community-based education and outreach aspects of both programs. This is not to say the implementation of these programs should be entirely merged, only that it should be closely coordinated in order to leverage opportunities and prevent consumer confusion in targeted populations.

4 Conclusion

We commend staff for its efforts to improve the EFMP in-line with the directives contained in SB 459. This represents a significant effort to improve the air quality in areas of the state that have been historically exposed to a disproportionate share of dangerous pollution, reduce emissions of greenhouse gases, and provide lasting fuel cost savings for families that are vulnerable to volatile petroleum fuel prices.

Sincerely,

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² Assuming California’s 2013 average regular grade gasoline price of \$3.886/gallon (Energy Information Administration) and 15,000 miles driven per year.