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The Honorable Mary Nichols  
Chair, California Air Resources Board  
1001 "I" Street  
P.O. Box 2815  
Sacramento, CA 95812

January 25, 2011

### Comments from Plug In America on Proposed 2012 Changes to the Zero Emission Vehicle (ZEV) Regulations

Dear Chairman Nichols,

Plug In America works to accelerate the shift to plug-in vehicles powered by clean, affordable, domestic electricity to reduce our nation's dependence on petroleum and improve the global environment. As the organization representing the millions of potential future *consumers* of plug-in hybrids and fully electric vehicles, we see the critical need for strong ZEV regulations to leverage consumer use of electricity as a primary transportation fuel. We believe that ARB will continue to play a critical role in accelerating the widespread adoption of plug-in vehicles in California by making the correct ZEV policy decisions.

To this end, Plug In America wants to start out by praising the success of the ARB Board and Staff in reaching a milestone of 17,500 plug-in vehicles shipped in the US in 2011. This is three times the number of Toyota hybrids shipped in 2001, the launch year of the Toyota Prius. Without the ZEV program, it is highly unlikely the automakers would have made these new plug-in vehicles. Changes in the ZEV program by the Board in 2008 started this renewed effort and we need extremely strong ZEV regulations to ensure long-term success and reach the target of an 80% reduction in GHG by 2050.

Plug In America enthusiastically supports the ZEV program as a means for commercialization of plug-in vehicles. In this regard we have six key areas to address as part of the 2012 revisions to the ZEV regulations:

- 1) Overall numbers of ZEVs/PHEVs
- 2) The overcompliance provision
- 3) Minimum PHEV qualification of 10 miles AER
- 4) Credit for low-end PHEVs
- 5) BEVx
- 6) Adjust Credits and Allowances
- 7) Travel Provision

1) Overall numbers of ZEVs/PHEVs - In terms of the overall numbers of ZEVs/PHEVs, it is clear that we need an immediate and aggressive focus on ultimate GHG reduction. The earlier that plug-in vehicles are commercialized and put on the road, the greater GHG reduction benefit they will provide. We believe that CARB can strengthen the ZEV proposal even more to result in 1.8 million electric cars in California and 5 million nationally (through the eleven states that have adopted California's standards) by 2025.

2) Overcompliance provision - We strongly urge the Board not to approve the proposed "overcompliance" provision. This proposal would dramatically weaken the ZEV program by allowing automakers that 'overcomply' with the new Federal GHG standards to get away with producing fewer EVs. The letter which outlines the agreement between the EPA and CARB requires only that the Board consider this provision and we believe it should be rejected.

This provision would allow an automaker to cut the number of pure electric-drive vehicles by as much as 50% over the 2018 to 2021 timeframe in exchange for just 2 g per mile GHG overcompliance. We urge the Board to close this gaping loophole that could deal a blow to the proliferation of plug-in vehicles just as we are starting to see real volume production.

We are already seeing the impact of the 2008 changes to the ZEV regulation with certain automakers committing to build just enough EV "compliance cars". In fact, Honda and Toyota have indicated that they will only produce 1100 electric Honda Fits and 2600 new Toyota RAV4EVs each. Even the Alliance of Automobile Manufacturers has stated "this proposal would allow certain manufacturers to eliminate a significant portion of their ZEV requirements, it would undermine this level playing field, giving such manufacturers a significant competitive advantage."

Honda, Hyundai, and Toyota are once again trying to game the system. Please don't let them do this given that we see the great progress being made by Nissan, GM, Ford, Tesla, Coda, and other OEMs truly committed to building a sustainable business around electric vehicles. The overcompliance provision is a bad deal for California and for the United States!

3) Minimum PHEV/TZEV qualification of 10 miles AER (versus "equivalent" AER) – The automakers will tell you that they need this compliance path, yet we need to scale the number of all electric VMT as quickly as possible. Plug In America believes that a minimum of 20 miles of AER should be the baseline requirement going forward.

4) Credit for low-end PHEV/TZEVs – Along the same theme, several automakers want more credit for the very low AER PHEV/TZEVs, even after 2018. This is absurd. These OEMs want credits six years from now for vehicles with less AER than the 2012 Toyota Plug-in Prius. We should be raising this bar, not lowering it. Plug In America believes that a minimum of 20 miles of AER should be the baseline requirement going forward, with the potential to scale up an additional 5 miles AER each year.

5) BEVx – Plug In America believes that BEVs with APU range extenders are a good transitional option for consumers. Many Volt owners already take pride in how little gasoline they use. ARB should embrace this trend with BEVx vehicles of 50 miles AER and greater. There need not be a limit on the additional range nor power mixing between EV and ICE modes, however any ICE components must meet the most stringent CARB regulations at the time (SULEV or better). The key is to get consumers into plug-in vehicles and accelerate the use of electric VMT.

6) Adjust Credits and Allowances: If CARB increases credits for Type V (300 mile FCV) ZEVs to appropriately incentivize this future technology, it should immediately included 300 mile BEVs into the Type V category, given that DC Fast Charging infrastructure is being deployed at a fraction of the cost of hydrogen infrastructure.

7) Travel Provision – Plug In America has been consistent in its opposition to the Travel Provision in the ZEV regulations. At best it dilutes the overall number of plug-in available to the market. At worst it creates a mechanism for automakers to produce fewer vehicles and

negatively impacts the other states who have adopted ZEV regulations. Simply stated it encourages gaming the system and should be phased out immediately.

In conclusion, Plug In America fully supports ARB's goal of strengthening the ZEV regulations as long as key loopholes are eliminated. Plug In America strongly believes that plug-in customers will choose electricity as their primary fuel when given the choice, accelerating the acceptance of electric vehicles in the marketplace.

Please feel free to contact me if you have any questions and thank you again for all the great work you do to improve our air quality.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jay Friedland".

Jay Friedland  
Legislative Director, Plug In America