



Comments on the Amendments to the California Zero Emission Vehicle Regulation

Fisker Automotive appreciates the opportunity to respond to the California Air Resources Board (ARB) as it considers the 2012 amendments to the California Zero Emission Vehicle (ZEV) Program. Fisker Automotive is a privately owned auto manufacturer headquartered in Anaheim, California. We build environmentally conscious vehicles with passion, style and performance for the global market. Fisker's first vehicle is the Karma, an electric vehicle with extended range (Ever™) that began first customer deliveries late last year.

Fisker Automotive employs more than 600 people at our Anaheim facility. California is home to our global headquarters and is our largest single market. We have partnered with six retailers throughout California, representing a strong sales tax base. We also believe that our vehicles have special appeal to the California driver, whose renowned sense of style and desire for personal mobility is increasingly balanced by an awareness of environmental impact. Furthermore, as a manufacturer of electric vehicles with extended range, we are bringing to market the very technologies that the ZEV requirement is intended to advance.

In the sections that follow, we wish to offer three major comments to the rulemaking process:

- 1) Support the increased requirements for 2018 and beyond
- 2) Suggest minor changes to improve viability of credit trading
- 3) Urge ARB to reconsider GHG over-compliance provision

Fisker thanks ARB for the opportunity to comment on this rulemaking and would like to remain engaged throughout this regulatory process and future policy-making activities.

1) Support Increased Requirements

- **Strong ZEV requirements will continue to transform industry**

Fisker Automotive supports the ZEV program's goal of enabling zero-emission driving. In particular, the increased ZEV volume requirement for 2018 and subsequent model years provides a strong signal to automakers that zero-emission capable vehicles will need to make up a significant fraction of the future vehicle fleet. Fisker believes that this regulation will play a central role in transforming the automotive industry, leading to significantly reduced emissions and fossil fuel consumption. We commend ARB for continuing to strengthen its ZEV program as a technology-forcing regulation.



2) Suggest Minor Changes to Improve Viability of Credits

- **Credit trading provisions support advanced technology vehicle manufacturers**
- **We urge considerations of minor changes that would strengthen credit provisions**

Fisker Automotive manufactures electric vehicles with extended range, an advanced powertrain technology that enables zero-emission driving while also eliminating the range anxiety that could limit the penetration of electric vehicles. We believe this powertrain offers the best of both worlds – zero-emission driving without compromises in performance or utility. Bringing these vehicles to market has required great investment and risk, an effort that we believe should be encouraged by the ZEV program.

One way the ZEV program can help support pioneering automakers like Fisker Automotive is the trading of ZEV credits. Fisker Automotive is just one of a number of California companies that stand to directly benefit from the credit trading provisions of the ZEV program. In this sense, a strong ZEV program – including robust credit trading – will lead to more electric miles driven and a stronger advanced technology vehicle sector in California.

Toward this end, Fisker Automotive would urge ARB to consider a number of minor modifications affecting credit trading provisions:

- First, we believe that limiting the portion of a manufacturer's ZEV requirement that may be met with TZEVs sufficiently prioritizes ZEVs over TZEVs; in other respects, Fisker believes these credits could be treated the same. Specifically, Fisker would urge ARB to treat credits arising from ZEVs and TZEVs equally with respect to travel provisions, banking, and carry-forward provisions.
- Second, since travel provisions remain a controversial aspect of the regulation, ARB could propose subordinating travel to credit trading. That is, a manufacturer would only be able to "travel" its credits after demonstrating that it could not meet its requirement in a given state through the procurement of credits from other manufacturers.
- Third, the ISOR states that the travel provision only applies to manufacturers that have a requirement. Fisker would ask ARB to clarify that credits procured from a manufacturer without a requirement, then used by a different manufacturer with a requirement, would be allowed to travel.



3) Urge Reconsideration of GHG Over-compliance Provision

- **GHG standards and ZEV requirement have separate goals**

Fisker Automotive recognizes that ARB included in its commitment letter to the one national greenhouse gas tailpipe standard the statement that “California commits to propose” an over-compliance provision that would allow a manufacturer to reduce its ZEV requirement by over-complying with the national greenhouse gas standards. Fisker also appreciates ARB’s extensive efforts in the proposed amendments to thoughtfully restrict these over-compliance credits such that they only reward consistent and planned over-compliance with the EPA fleet standard.

Nevertheless, it is Fisker Automotive’s opinion that this GHG over-compliance provision is inconsistent with goals of the ZEV program. The national greenhouse gas emission standards, in concert with NHTSA’s fuel economy standards and ARB’s own greenhouse gas standards, are technology-neutral regulations that drive reductions in overall fleet emissions and fuel consumption. In contrast, the ZEV program is a technology-forcing regulation that is explicitly aimed at driving the introduction of zero-emission capable vehicles into the marketplace. These are two separate goals, and forcing them to interact in this way risks undermining the integrity of both.

Fisker Automotive thanks ARB for allowing us to provide a response to the 2012 amendments to the ZEV program. We remain overall strongly supportive of ARB’s efforts to place electric vehicles in the marketplace, and we urge ARB to consider the issues raised in these comments. We hope to remain in close dialogue with ARB staff as we work to deliver premium electric vehicles with extended range (EVer™) to drivers in California and around the world.

For more information regarding these comments, please contact our public policy analyst, Kellen Schefter, at kschefter@fiskerautomotive.com or 714-485-1335.