

PLUG IN AMERICA



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

Response - Adoption of the Proposed AB 118 Air Quality Improvement Program
Funding Plan for Fiscal Year 2009-10 including the Zero-Emission Vehicle (ZEV)
and Other Clean Vehicle Rebates Program

Dear Chairman Nichols,

Thank you for the opportunity to comment on the Adoption of the Proposed AB 118 Air Quality Improvement Program Funding Plan for Fiscal Year 2009-10 especially the ZEV and Other Clean Vehicle Rebates Program. We applaud the staff on their hard work on this proposal. Plug In America has reviewed this program in light of the overall AB118 goals and we feel that there is a significant opportunity to improve the program, especially in light of the desired outcome – more ZEV and PHEV vehicles on the road.

The program was conceived to improve air quality by promoting the deployment of non-polluting vehicles. This requires prioritizing commercialization over R&D. We believe that there are still compelling opportunities to make the program more results-oriented, and propose that the following points be revisited:

First and foremost, we support the program but the Staff Proposal is not ambitious enough in terms of baseline funding. Plug In America urges the ARB to increase the funding for the ZEV Clean Vehicle Rebate program to \$9.00M for FY2009-2010. Funding this part of the program is significantly more important than many of the proposed research and demonstration projects, which could take many years to have any true impact on the AB118 goals. These rebates will put ZEVs on the road and immediately contribute to air quality improvement.

This level of funding is necessary since we are at the very beginning of the market penetration for many of these vehicles and incentivizing the early adopters has proved to be one of the most successful strategies for accelerating longer term market share.

In addition, by providing significant incentives in the early stage, California will be able to attract the early deployment of several vehicles in late 2009 and the beginning of 2010, including PHEVs from OEM automakers. The difference in being

able to reach 4,000 potential vehicles rather than just 2,000 is truly significant as California seeks to lead the nation in this area.

The staff has done an excellent job in making the ZEV Clean Vehicle Rebate program more inclusive on the types of vehicles eligible for the rebates. By leveraging the successful AFIP program and including rebates for highway capable Zero Emission Motorcycles (ZEMs) and for OEM PHEV vehicles, you are opening up significant opportunities for getting more clean vehicles on the road.

Our proposal for the program would be:

Plug In America Proposed FY 2009-10 ZEV Funding

Approximate Number of Vehicles	Vehicle Rebate Amount	Total FY 2009-10 Funding
Up to 1000 ZEVs	\$5,000	\$5,000,000
Up to 500 PHEVs	\$3,000	\$1,500,000
Up to 1,000 ZEMs	\$1,500	\$1,500,000
Up to 1,000 NEVs	\$1,000	\$1,000,000
	TOTAL	\$9,000,000

This table does not include funding for commercial ZEV vehicles, which we also believe should receive increased funding to the level of \$5mm as a separate program.

Innovative companies which are already shipping ZEV vehicles approved for the AFIP program include: Tesla, Vectrix, GEM, Honda, Miles, and ZENN. In addition, the following companies have announced they will have vehicles available in California during 2009: Aptera, Brammo, Electric Motorsport, Myers Motors, and Zero Motorcycles. Plus a number of automakers have announced plans for early deployment of test fleets or consumer test programs: GM, Nissan, BMW, Toyota, Hyundai, Mitsubishi, Ford, and Chrysler. The rebates in this program will attract these vehicles to California first.

There are many positive aspects to the proposed program, but now is not the time to be conservative with funding a ZEV rebate program. We encourage the Board to consider the above changes to make the program even better and more results-oriented. Now that ZEVs are becoming available in showrooms where consumers can purchase them, we need to accelerate their acceptance and make this program truly a success.

Thank you for your time,

Jay Friedland
Legislative Director, Plug In America