



October 18, 2019

Chair Mary Nichols and Board Members
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Chair Nichols and the Members of the California Air Resources Board (CARB),

Thank you for the opportunity to comment on CARB's proposed 2019-2020 Funding Plan for Clean Transportation Incentives. With transportation being directly responsible for 41% of California's greenhouse gas (GHG) emissions,¹ clean transportation incentive programs are vitally important to meeting our 2030 and 2050 climate commitments. Similarly, clean transportation programs are a key component in California's efforts to reach attainment of federal and state air quality standards.

In addition to jeopardizing our ability to meet our climate and air quality targets, road vehicle emissions significantly harm human health. Under a model in which current vehicle emissions standards are locked in until 2025, Californians could expect to annually pay \$14.5 billion in health and societal costs. This cost pales in comparison to the almost 600 additional premature deaths, 11,400 additional asthma attacks and hundreds of additional incidents of other cardiovascular and pulmonary illnesses Californians could expect to experience every year.²

General principles:

- 1) **We support CARB exceeding the minimum disadvantaged community investment targets established by SB 535 (de León, 2012) and AB 1550 (Gomez, 2016)**
California law requires at least 25% of Greenhouse Gas Reduction Fund (GGRF) revenues be spent on projects within disadvantaged communities (DACs.) Further, the law requires at least 5% of GGRF funds to be spent on projects that benefit low-income communities throughout the state, and an additional 5% in low-income communities within half a mile of a DAC. In addition to GGRF funds being spent on projects within priority communities, investments are legally required to deliver benefits to those within the DAC or low-income community. These requirements are important because DACs

¹ CARB, *GHG Current California Emission Inventory Data*, <https://ww2.arb.ca.gov/ghg-inventory-data> (accessed October 9, 2019)

² American Lung Association California, *The Road to Clean Air*, pg. 9, <https://www.lung.org/local-content/california/documents/the-road-to-clean-airpdf.pdf> (accessed October 9, 2019)

and low-income communities, which are often comprised of people of color and other vulnerable populations, have long endured a disproportionate share of the burden from transportation-sector emissions.³ As such, we are in agreement with CARB's position that the law only sets minimum targets, and CARB should strive to exceed these minimums.

2) We support the requirement for investments to maximize public health and other co-benefits

While all GGRF investments must result in GHG reductions, we support prioritizing projects which maximize multiple co-benefits. In addition to reducing GHGs, incentives and other climate investments must also improve both air quality and public health benefits, as well as support the local workforce and avoid harming the community. Further, CARB should work with and provide technical support and other forms of assistance to implementing agencies and community organizations to ensure clean transportation programs yield needed co-benefits.

Light Duty Transportation and Mobility:

1) Clean Vehicle Rebate Project (CVRP)

Given CVRP's limited resources, several major changes to the program have long been expected. With one notable exception, CCA supports the changes being proposed; specifically, we support the eligibility cap on the Manufacturer's Suggested Retail Price (MSRP) as well as increasing the minimum number of all-electric miles for plug-in hybrid vehicles to 25 miles. Yet, while we support these changes, it's important to note they do not go as far as they should in order to maximize the effectiveness of the rebates. In order to send a strong market signal in favor of the cleanest, most affordable vehicles, CARB should tighten the MSRP cap and require greater battery capacity from plug-in hybrids in the future. While lowering standard rebate amounts is unfortunate, it is a necessary decision in order to stretch out limited funds as far as possible. However, we do appreciate and support the proposal to maintain the Low-to-Moderate Income amounts.

We are disappointed, however, in the proposal to eliminate future waitlists and instead shift to a "start-and-stop" limited time offer model. While both CARB staff and the automotive industry have suggested a "start-and-stop" approach would be easier for participating car dealerships, such a change could create confusion for consumers. A "start-and-stop" model could result in a drifting cut-off date which would be difficult, if

³ Claudia Boyd-Barrett, "People of Color and the Poor Disproportionately Exposed to Air Pollution, Study Finds", California Health Report, <https://www.calhealthreport.org/2019/02/08/people-of-color-and-the-poor-disproportionately-exposed-to-air-pollution-study-finds/> (accessed October 9, 2019)

not impossible, for consumers to anticipate. Instead, we recommend lowering the income caps so that rebates are reserved for those who need them the most.

2) Transportation equity and mobility projects

CCA supports the creation of the Sustainable Transportation Equity Project (STEP), which seeks to improve mobility while decreasing vehicle miles traveled. Specifically, this program will help create and build upon partnerships between communities, local agencies, businesses and experts to identify and address community mobility needs. The STEP program will help provide communities with the capacity to resolve longstanding mobility difficulties, reducing emissions and create an empowered, more sustainable community.

Additionally, CCA supports the proposed requirement to dismantle school buses replaced through the Rural School Bus Pilot. This will help ensure older, polluting school buses replaced through this program are not allowed back on the road. Diesel exhaust is known to contain over 40 different carcinogenic chemicals.⁴ Continuing to expose children to these harmful emissions is completely unnecessary, given the availability of near-zero and zero-emissions school busses commercially available. Further, as noted in the proposal, several school districts participating in the Rural School Bus Pilot program have chosen to dismantle old school buses despite it not being a requirement.

CCA believes that CARB should begin restricting eligibility for equity programs to the cleanest vehicles. This includes eventually phasing out conventional hybrid vehicles for the Clean Cars 4 All Program, as well as shifting school bus replacement programs towards zero-emission vehicles. Given the many zero-emissions vehicle models commercially available to light- and medium-duty consumers, along with the increasing supply of charging stations and clean fuel facilities, continuing to subsidize conventional vehicles is undercutting the effectiveness of our equity programs.

Finally, we note that CARB's plans for equity projects in future years will require a significant increase in the funds allocated to these projects.

Heavy-Duty Transportation:

Unfortunately, the \$182 million allocated for this category by the budget is several hundred million dollars short of the amount necessary to adequately fund the needs to demonstrate, pilot and deploy the cleanest heavy-duty engines. Given this huge funding gap, CARB has to make some tough choices about how to spend the limited dollars.

⁴ CARB, "Overview: Diesel Exhaust & Health", <https://ww2.arb.ca.gov/resources/overview-diesel-exhaust-and-health> (accessed October 9, 2019)

We agree with the decision to reserve \$40 million for pilot and demonstration projects, while putting the bulk of the funds into the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). Within HVIP, we support the reinstatement of a limit on orders from single fleet, and we suggest that 200 orders may still be too high an amount.

We disagree, however, with the proposed complete exclusion of low-NOx trucks from HVIP. HVIP should fund the cleanest commercially available vehicles in each major truck category. Deploying low-NOx trucks fueled by low-carbon renewable fuels provides substantial air pollution and greenhouse gas reductions in communities suffering the worst impacts from smog, particulate matter, air toxics and climate change.

Thank you for your time and consideration of our comments.

Sincerely,

Handwritten signature of Bill Magavern in cursive script.

Bill Magavern
Policy Director

Handwritten signature of Christopher Chavez in cursive script.

Christopher Chavez
Deputy Policy Director