CalETC
California Electric Transportation Coalition

May 18, 2018

California Air Resources Board
1001 I St.
Sacramento, CA 95814

Submitted via online form to docket: vwmititrust18

Re: Proposed Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to comment on the California Air Resources Board's (CARB's) Proposed Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust.[i]

CalETC supports and advocates for the transition to a zero-emission transportation future as a means to spur economic growth, fuel diversity and energy independence, ensure clean air, and combat climate change. CalETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation including plug-in electric vehicles of all weight classes, transit buses, port electrification, off-road electric vehicles and equipment, and rail. Our board of directors includes: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, and the Southern California Public Power Authority. Our membership also includes major automakers, manufacturers of zero-emission trucks and buses, and other industry leaders supporting transportation electrification.

Although California is leading the nation in zero-emission vehicle (ZEV) adoption, our state still has a long way to go to reach the goals in the Governor's Executive Order B-48-18: 5 million ZEVs on California roads by 2030 and specified levels of zero-emission vehicle infrastructure by 2025 to support the transition to these vehicles. In addition, the state must implement SB 1275 (De León) *[Chapter 530, Statutes of 2014]* and SB 1204 (Lara) *[Chapter 524, Statutes of 2014]*, which set targets for the deployment of 1 million zero- and near-zero-emission vehicles by 2023, access to these vehicles by disadvantaged and low- and moderate-income communities, and deployment of zero- and near-zero-emission medium- and heavy-duty vehicle technologies. To reach the state's air-quality, climate, and public-health targets, we must transition the transportation sector to cleaner technologies. Transitioning the light-, medium- and heavy-duty transportation sectors to zero-emission technologies is and will continue to be a challenging task, requiring appropriate regulatory direction and incentives.

CalETC supports the Proposed Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust, and staff's guiding principles. We support the emphasis on funding actions that will fully offset the VW NOx impacts, while reducing pollution for sensitive populations and ensuring disadvantaged and low-income communities benefit from the investments. The focus on zero-emission technologies where available, and low-NOx everywhere else, aligns with state priorities and will result in quantifiable and lasting reductions of NOx and other air pollutants.

CalETC supports the proposed project categories and allocations, specifically the proposed zero-emission investments. Investment of the VW Environmental Mitigation Trust in zero-emission transit, school, and shuttle buses; zero-emission class 8 freight and port drayage trucks; zero-emission freight and marine projects; and light-duty ZEV infrastructure will yield immediate reductions in NOx and will help us achieve our long-term zero-emission transportation, air quality, public health, and climate change goals. As an example, zero-emission buses utilizing electricity from today's grid will yield reductions in particulate matter, NOx, and global-warming emissions.[ii] As electricity generation continues to get cleaner, so will transportation that is powered by the grid.[iii]

CalETC appreciates staff's proposed solution to our and other stakeholders' comments about ensuring smaller fleets and all bus and shuttle types will be able to access funding in the bus and shuttle category. Administering the funding in two increments and capping funding for each bus category should give applicants additional time to apply for funding. CalETC encourages staff to periodically assess whether the funding is being proportionately deployed to smaller fleets, and to all bus and shuttle categories. We encourage staff to allow for school bus funding to be available, and for the funding amount to adequately address, incremental costs for all sizes of school buses or shuttles serving students, e.g., type A, smaller buses. We also recommend staff ensure funding goes to paratransit buses and shuttles, and public-service buses or shuttles serving those with disabilities, to help reduce pollutant exposure for sensitive communities.

Finally, CalETC recommends staff assess whether the added incentive amount for ZEV fueling infrastructure is enough for fleets to overcome barriers to the installation of infrastructure to support their zero-emission vehicles and equipment. The utilities are investing or are proposing to invest in infrastructure for medium- and heavy-duty vehicles, and other public and private entities are also investing in infrastructure, but there remains a significant funding gap. We recognize that for fleets, the challenge of switching to a new fuel is complex and the upfront costs are a major hurdle, so both the vehicle and infrastructure costs must be addressed.

CalETC thanks CARB staff for their commitment to involve stakeholders throughout the development of the Proposed Beneficiary Mitigation Plan. Thank you for your consideration of our comments. Please do not hesitate to contact me at (916) 551-1943 or hannah@caletc.com if you have any questions.

Sincerely,

Hannah Goldsmith, Project Manager
California Electric Transportation Coalition

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[i] California Air Resources Board, *Proposed Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust*, April 20, 2018, available at: https://www.arb.ca.gov/msprog/vw_info/vsi/vw-mititrust/meetings/proposed_bmp.pdf.

[ii] Union of Concerned Scientists. *The Promises and Limits of Biomethane*. May 2017. Online at: https://www.ucsusa.org/biomethane-transportation#.WlUWG3lG2po. See also: Union of Concerned Scientists and the Greenlining Institute. *Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health in California*. Updated 2017. Online at: https://www.ucsusa.org/sites/default/files/attach/2016/10/UCS-Electric-Buses-Report.pdf.

[iii] Utilities must derive 33 percent of their electricity from renewable sources by 2020, rising to 50 percent by 2030. (Senate Bill 350: Clean Energy and Pollution Reduction Act (de León, Chapter 547, Statutes of 2015).) In 2016, California's three largest electric utilities collectively obtained 32.3 percent of their electricity from renewable resources, not including large hydropower or nuclear facilities. (Dominic Fracassa, SF Gate. *California grid sets record, with 67% of power from renewables*. May 18, 2017. Online at: http://www.sfgate.com/business/article/State-breaks-another-renewable-energy-record-11156443.php.) And, the three utilities' aggregated forecasts project that they will meet 50 percent by 2020, not including large hydropower or nuclear facilities. (California Public Utilities Commission. Renewables Portfolio Standard Annual Report. November 2017. Online at: http://www.cpuc.ca.gov/uploadedFiles/CPUC_Website/Content/Utilities_and_Industries/Energy/Reports_and_White_Papers/Nov%202017%20-%20RPS%20Annual%20Report.pdf.)