



December 16, 2016

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

**Re: 2030 Target Scoping Plan Update – Discussion Draft**

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to comment on the 2030 Scoping Plan Update – Discussion Draft, developed by the California Air Resources Board in collaboration with the Joint-Agency Workgroup.

CalETC is a non-profit association promoting economic growth, clean air, fuel diversity and energy independence, and combating climate change through the use of electric transportation. CalETC is 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.

We respectfully submit the following comments:

Preference for Draft 2030 Target Scoping Plan Scenario

The current model of complementary policies in addition to the Cap and Trade program is working well, balancing both the need for traditional regulation and the economic benefits of market-based regulation. Of the concepts presented, CalETC believes the Draft 2030 Target Scoping Plan Scenario, with a continued and reliable commitment to public investment in incentive programs, is preferable relative to the two other alternatives presented in the Discussion Draft.

Low Carbon Transportation Funding and Complementary Measures

In relation to accelerating the market share of zero-emission vehicles across all sectors, we are pleased to see the importance of reliable incentive programs and complementary measures, such as significant infrastructure investment and education and outreach, highlighted in the Discussion Draft. Supporters of low-carbon transportation have had to fight for an allocation of the California Climate Investments (CCI) every year because the low-carbon transportation programs do not have a continuous allocation of CCI funds. The funding uncertainty for these programs affects their viability and creates doubt in the market. At the end of 2015, plug-in electric vehicles (PEVs) represented only 3.1% of the new vehicle market in California and only 0.66% in the U.S.<sup>1</sup> Sales for conventional hybrids only reached 5.8% in California last

---

<sup>1</sup> See, e.g., Cobb, Jeff, California Plug-in Sales Led The US Last Year with Nearly Five-Times Greater Market Share, February 17, 2016, <http://www.hybridcars.com/california-plug-in-sales-led-us-last-year-with-nearly-five-times-greater-market-share/>.

year,<sup>2</sup> even though this technology has been widely available and accessible for over a decade. We support the recognition in the Discussion Draft of the need for reliable investments to overcome these challenges. However, the Scoping Plan should also lay out clear and certain funding sources to provide a clear market signal to those investing in transportation electrification. Private investment will follow clear, consistent public commitment and investment.

#### Utilities and Automotive Industries are Making Substantial Contributions

CalETC supports the recognition of the significant emission-reduction contributions made by utilities in support of California’s emission-reduction goals. California utilities have implemented the most progressive programs in the nation, contributing to emission reductions from energy efficiency, renewable electricity, and transportation electrification. With the passage of SB 350, utilities’ obligations increase significantly and the utility role in transportation electrification expands. Both the investor-owned and publicly-owned utilities are advancing transportation electrification through infrastructure, education and outreach, and other programs, and they will need to continue to invest to reach the state’s targets.

CalETC encourages the Scoping Plan to recognize the commitment of vehicle manufacturers to meet California’s emission-reduction goals. Light, medium, and heavy-duty vehicle manufacturers have invested and continue to invest billions of dollars in clean and zero-emission vehicle technologies that are critical to meeting California’s climate-change and air-quality goals. The Zero-Emission Vehicle Program, light-duty fleet emissions standards, Sustainable Freight Action Plan, and other programs in the Mobile Source Strategy like Advanced Clean Transit will be challenging in the coming years. These programs will require increasing collaboration between the utility and automotive industries, substantial support from both industries, and reliable public investment.

#### Utility Role in Transportation Electrification

As stated in the Discussion Draft, the transition to zero-emission technologies across all transportation sectors will be key to achieving the state’s 2030 and 2050 greenhouse-gas emission reduction goals. We believe that the role of both investor-owned and publicly-owned utilities concerning California’s transportation-electrification goals should be addressed in more detail in the Discussion Draft. Utilities share the state’s commitment to transportation electrification and can play a broad role, including: investing in infrastructure; educating consumers, like those consumers that are utility customers; purchasing electric vehicles for their fleets; keeping the grid safe, reliable, efficient and affordable as we make the transition to electricity in the transportation fuels sector; and collecting valuable data. Experience has demonstrated that when utilities are engaged with the regulators and their customers, the market success of transportation electrification is increasingly likely.

---

<sup>2</sup> *Ibid.*

Economic Analysis Considerations

The Discussion Draft includes placeholders for the analysis that will be included in the Scoping Plan. CalETC encourages the Air Resources Board, and the Joint-Agency Workgroup, to include the benefits of reduced petroleum consumption and the grid benefits of transportation electrification in the analysis, as described below.

We encourage the Air Resources Board and the Joint-Agency Workgroup to incorporate the benefits of petroleum displacement—which also results in GHG emission and criteria pollutant reductions—in the economic analysis portion of the Scoping Plan. Paul Leiby at the Oak Ridge National Laboratory (ORNL) estimated the energy-security benefits of reduced US oil imports. The research focuses on two components of energy-security benefits: monopsony and macroeconomic disruption or adjustment costs. The benefit of displacing imported oil is reported with a midpoint of nearly \$14 per barrel of oil (in 2004 dollars).<sup>3</sup>

We also encourage the Air Resources Board and the Joint-Agency Workgroup to consider the quantitative and/or qualitative grid benefits of transportation electrification in the economic analysis of the Scoping Plan. Increasing the use of electricity for transportation provides net benefits for both society and utility ratepayers. These grid benefits of plug-in electric vehicles were examined in the *California Transportation Electrification Assessment: Phase 2 Grid Impacts Report* prepared by ICF International and E3 in October 2014.<sup>4</sup>

Thank you for your consideration. Please do not hesitate to contact us should you have any questions.

Sincerely,



Eileen Wenger Tutt, Executive Director  
California Electric Transportation Coalition

---

<sup>3</sup> Leiby, P., Estimating the Energy Security Benefits of Reduced U.S. Oil Imports, Oak Ridge National Laboratory, ORNL/TM-2007/028, 2007. Available online at: <http://www.epa.gov/otag/renewablefuels/ornl-tm-2007-028.pdf>

<sup>4</sup> ICF and E3, Transportation Electrification Assessment, Phase 2 Grid Impacts, October 2014. Available online at [http://www.caletc.com/wp-content/uploads/2014/10/CalETC\\_TEA\\_Phase\\_2\\_Final\\_10-23-14.pdf](http://www.caletc.com/wp-content/uploads/2014/10/CalETC_TEA_Phase_2_Final_10-23-14.pdf)