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Submitted Electronically

Mary D. Nichols, Chair
California Air Resources Board
1011 I Street, P.O. Box 2415
Sacramento, CA 95814

Subject: Comments Regarding Volkswagen's California Zero Emission Vehicle Investment Plan

Dear Chair Nichols:

As the Mayor and City Manager of the City of Sacramento, we write to express our strong and enthusiastic support for designating Sacramento as Volkswagen's first Green City and for proposing investment in community charging in the Sacramento region as part of Volkswagen's California Zero Emission Vehicle (ZEV) Investment Plan. We believe Volkswagen's proposed Plan meets the California Air Resources Board's (CARB) guidance for investments and will help achieve Governor Brown's target of 1.5 million ZEVs, furthering California's position as an innovative leader in sustainability. Sacramento is primed to maximize, leverage, and expand upon this investment and, along with our regional stakeholders, we are fully committed to ensuring our efforts spur innovation, advance the ZEV market, and demonstrate how to better connect our disadvantaged communities to resources in ways that will garner benefits both locally and statewide.

Volkswagen's proposed Investment Plan in Sacramento as the first Green City includes car sharing and delivery fleets. Our vision is to build on this framework so we may demonstrate California's capital city as a leader in developing clean and innovative transportation systems that connect all of our communities. With the Green City investment, we also seek to propel our economy and quality of life forward with job creation, inclusive mobility, and ladders of opportunity for disadvantaged communities that are home to approximately 36 percent of our residents. Programs will accelerate improvements in air quality, reduce traffic and congestion, and improve access to clean transportation options. Priorities for investment include ZEV shuttles to transport our area's poorest residents to needed services, first-mile/last-mile connections to transit, and autonomous vehicle demonstrations. Intertwined throughout our efforts will be workforce training and job opportunities in ZEV industries, significant investment in disadvantaged communities, and highly visible public demonstrations of new technologies and shared mobility service models.

We highlight below some of the reasons why Sacramento is ready to maximize and deliver on transformational change that will catalyze the advancement and use of ZEV technologies in a manner that is rapidly scalable and transferable to other areas of the State.

1. Attributes of the City.

- Rated as one of the most racially, ethnically and culturally diverse cities in the nation, Sacramento offers a rare opportunity to test programs that are replicable across a range of communities. With a population that is 34 percent Caucasian, 28 percent Hispanic or Latino, 18 percent Asian, and 13 percent Black or African American, there is no racial or ethnic majority in Sacramento. Our diversity is our strength, and this diversity allows us to act as a true test bed for transformational solutions.
- Situated at the confluence of three major freight routes, which the U.S. Department of Transportation has also designated as national electric vehicle charging corridors, Sacramento is uniquely poised to foster transformation in our interstate freight system. We see ZEV deployment in Sacramento as critical to the success of efforts to electrify freight transport, consistent with the Governor's California Sustainable Freight Action Plan.
- As the State's capital, Sacramento is at the heart of California policy making. Showcasing the State's capital as the first Green City provides an unparalleled opportunity to demonstrate California's commitment to sustainability and highlight innovative mobility programs that benefit all residents, particularly those in our disadvantaged communities.
- In addition, with a city population of approximately half a million and a metro population of approximately 2 million, the community is large enough to test ideas, but small enough to realize demonstrable change that all residents can experience. Investments in Sacramento therefore have the potential to be highly visible, with higher potential for focused and sizeable impacts. These characteristics are consistent with CARB's guidance that the Green City should be "a city that is neither too large to create transformation nor too small to benefit a sizeable population..." Sacramento is an appropriately sized city where concentrated investment can deliver measurable and transformational impact for a significant portion of the community and across a diverse demographic array.

2. Strong regional partnerships enable readiness. The City of Sacramento has strong partnerships with a number of regional entities that share a commitment to creating an ecosystem that promotes the use of ZEVs. Some of these key partners include the Sacramento Metropolitan Air Quality Management District (Air District), the Sacramento Municipal Utilities District, Sacramento Regional Transit, the County of Sacramento with particular leadership from Supervisor Phil Serna, the Sacramento Area Council of Governments, and the UC Davis Institute of Transportation Studies, among others. Together, we bring a collective vision, experience, and real-world results that demonstrate Sacramento is poised to deliver transformational change.

Among other important initiatives, work with these partners resulted in the first regional ZEV readiness plan for Sacramento in 2013, known as TakeCharge, with a second one currently underway. The purpose of this plan is to develop an efficient charging network that meets the current and future demands for ZEV adoption by identifying charging in locations that minimize the need to drive, and strategies to monitor the placement of charging opportunities over time.

3. Ability to leverage existing investments. Each of our partners has made significant investments to support ZEVs that we can leverage to ensure Volkswagen's investments result in meaningful change. With respect to the City's own investments, in 2015 the City of Sacramento was hailed as the number one Green Fleet in North America, with 50 percent of the fuels used in the City's fleet comprising low-carbon alternatives to fossil fuels and ongoing investments in electrification. The fleet includes 53 battery-electric and plug-in hybrid electric vehicles, and 2 hydrogen fuel cell electric vehicles. Recently, the City procured an all-electric side loader refuse truck for downtown alley pickup, one of the first such vehicles in the United States. In total, the City operates more than 90 EV chargers at public facilities, with 78 available for public or workplace charging.

Recent State investments in Sacramento also provide a platform for Green City investments. These include a \$1.4 million CARB grant to the Air District for an electric car share program in the city that serves low-income residents in disadvantaged communities; a \$3.3 million CARB grant to the Air District to implement an Enhanced Fleet Modernization Program that provides grants to low-income residents of disadvantaged communities for the replacement of older, high polluting vehicles with zero emission technologies; and recent California Energy Commission awards of more than \$4.5 million for the construction of two new hydrogen fueling stations in Sacramento County. These key early investments in the region can support a broader, diverse investment that fosters an array of ZEV technologies and programs.

4. Expedient implementation. Sacramento is well-positioned to act nimbly and support the rapid expenditure of funds. Unlike many other large metropolitan areas, Sacramento is home to a single electric utility and a single air district, and the primary urban center is located entirely within the incorporated City of Sacramento. The relatively limited number of regulatory bodies, coupled with our strong partnerships and collective commitment to success, will facilitate collaborative and effective project delivery. The City of Sacramento is also one of the largest landowners within city limits, ready to quickly facilitate site access agreements. We understand regulatory delays, a long list of permit authorities, and numerous site hosts with diverse interests could all pose significant hurdles, jeopardizing success of the investment.
5. Demonstrated success. Sacramento has a long-standing commitment to sustainability and has demonstrated success in achieving our environmental goals. The City adopted our Sustainability Master Plan in 2007, followed with a 2011 Sustainability Implementation Plan, the 2012 Climate Action Plan, and the 2016 Climate Action Plan for Internal Operations. From 2005 to 2013, the City exceeded our adopted greenhouse gas (GHG) reduction target with a 24 percent reduction in municipal GHG emissions. In 2016, Sacramento became the fourth city in California to endorse the Under2 MOU, a coalition of governments pledging to reduce GHG emissions 80 to 95 percent below 1990 levels by 2050. Also in 2016, the City was chosen to participate in the Smart Cities Collaborative led by Transportation for America. As one of just three local agencies in California selected to participate, we work collaboratively with others on smart mobility. The City launched an early car share pilot program with Zipcar, dedicating more than two dozen parking spaces to a program that now has over 900 local members. GetHereSac! is a new online platform launched by the City, encouraging residents to consider alternative modes of transportation. We are also very proud of the Golden 1 Center, which is the greenest arena in the world and the first to achieve certification as a LEED Platinum facility. We will bring this same level of commitment and tenacity to the Green City initiative.

In addition to being ready and able to capitalize on Volkswagen's investment, the need for investment in Sacramento is tremendous.

Sacramento's disadvantaged communities rank in the top 10 percent of disadvantaged census tracts in the State, and a disproportionate share of Sacramento's residents live in disadvantaged communities. According to CalEnviroScreen 3.0, 36 percent of Sacramento residents live in the top 25 percent of disadvantaged census tracts statewide, exceeding the statewide proportion of approximately 24 percent of California residents that live in such communities. In addition, among the 25 largest metropolitan areas in the country, Sacramento has the second highest youth unemployment rate. Sacramento has also been ranked the sixth most polluted city in the nation for ozone.

Furthermore, we are behind other major regions in ZEV adoption, with the lowest rate of adoption per capita. Based on data from the Electric Power Research Institute, Sacramento's adoption rate is just 0.31 percent, and concentrated investment is needed to scale up our efforts and help achieve the Governor's target of 1.5 million ZEVs by 2025. To realize Sacramento County's share of the Governor's target, UC Davis recently developed scenarios that indicate we should aim to support approximately 66,000 to 84,000 ZEVs countywide by 2025. To realize these levels, the current fleet of roughly 3,000 ZEVs in the county needs to grow by more than 20 times. Furthermore, to get these cars on the road, significant investment in charging infrastructure is necessary; UC Davis's analysis suggests we have less than 50 percent of the public and workplace chargers needed to support ZEV ownership targets by 2025.

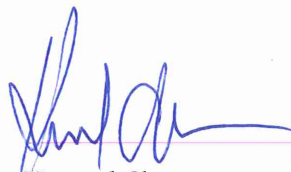
In closing, we are excited about this important opportunity and feel our demonstrated readiness and needs make Sacramento the best choice to be Volkswagen's first Green City. We are committed to ensuring its success, not just for Sacramento, but for all of California. Our region offers strong public-private partnerships, electrification expertise, and a culture of innovation. Together with our regional partners, we are equipped to advance the next generation of clean and intelligent transportation systems at a scale that can catalyze a new era in our State's transportation systems.

Thank you for your consideration. If you have any questions or would like to discuss further, please do not hesitate to contact us or our staff in the Mayor's Office, Ms. Jennifer Gress at (916) 808-5440 or jgress@cityofsacramento.org.

Sincerely,



Darrell Steinberg
Mayor



Howard Chan
City Manager

cc: Edmund G. Brown Jr., Governor
Kevin de León, Senate President Pro Tempore
Anthony Rendon, Assembly Speaker
ARB Board Members
Electrify America
Jennifer Gress, Office of Mayor Darrell Steinberg