

May 28, 2019

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

## Submitted via online portal

## Re: Feedback for 15-Day Modifications to the Proposed Alternative Certification Requirements and Test Procedures for Heavy-Duty Electric and Fuel-Cell Vehicles and Proposed Standards and Test Procedures for Zero-Emission Powertrains

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to provide our feedback for the California Air Resources Board's (CARB's) 15-Day Modifications to the Proposed Alternative Certification Requirements and Test Procedures for Heavy-Duty Electric and Fuel-Cell Vehicles and Proposed Standards and Test Procedures for Zero-Emission Powertrains. Staff have made many efforts to understand and incorporate our detailed and extensive feedback over the course of regulatory development, for which we are thankful. This letter incudes our final recommendation: The regulations should remain optional—i.e., not tied to any regulation or funding program—until at least 2023 and implementation should be reviewed annually to ensure the regulations are workable and not disruptive to the market.

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, buses, and equipment; charging station providers; and other industry leaders supporting transportation electrification.

CalETC is supportive of many of CARB's efforts to advance and accelerate zero-emission mediumand heavy-duty transportation technologies. CARB's regulatory and funding programs are important tools to reduce emissions from medium- and heavy-duty transportation. According to CARB's analyses, continued and increased deployment of medium- and heavy-duty zero-emission vehicles (ZEVs) is necessary to reach California's air quality, climate, public health, and economic California Air Resources Board

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objectives. However, transitioning the medium- and heavy-duty sectors to zero-emission technologies is and will continue to be a difficult task, requiring appropriate incentives and other policies.

Consumer confidence plays a critical role in purchasing decisions for medium- and heavy-duty vehicles and the intent of the proposed regulations is to help mitigate this issue. However, we have some concerns with how the proposed regulations may affect the zero-emission medium- and heavy-duty market, as well as a recommendation for adjusting the implementation of the regulation to address these concerns.

## The regulations should remain optional—i.e., not tied to any regulation or funding program—until at least 2023 and implementation should be reviewed annually to ensure the regulations are workable and not disruptive to the market.

CalETC urges CARB to ensure that the proposed regulations remain voluntary for an adequate amount of time to ensure they are workable and not disruptive to the market. Although the proposed regulations are drafted as voluntary, it is CARB's intent to tie the regulations to rulemakings and funding programs, such as currently proposed in the Zero-Emission Airport Shuttle Rulemaking<sup>1</sup> and as has been discussed in the context of the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and the Volkswagen Appendix D, Environmental Mitigation Trust. Keeping certification optional, and not tied to either regulations or funding programs, will allow for manufacturers and CARB staff to work together to implement the certification process and refine the regulations to ensure they are not disrupting the market.

As was adopted for the Innovative Clean Transit regulation, we suggest CARB staff report to the Board annually on implementation of the ZEP Cert. program and recommend any adjustments necessary to ensure the program is running smoothly and not negatively impacting the zero-emission medium- and heavy-duty market.<sup>2</sup>

The emissions from internal-combustion-engine vehicles have been regulated for a relatively long period, which has allowed for manufacturers and regulators to work together to improve the effectiveness of those regulations over time to benefit the environment and consumers. These proposed regulations, by contrast, have not been tested in the market. We do not support tying these regulations to any regulatory or incentive program before 2023, to allow manufacturers time to implement the procedures necessary to comply with the certification program.

<sup>&</sup>lt;sup>1</sup> Proposed Zero-Emission Airport Shuttle Regulation, Appendix A: Proposed Regulation Order, CARB, December 31, 2018, § 95690.5, subd. (c); Proposed Zero-Emission Airport Shuttle Regulation 15-Day Modifications, Attachment A: Modifications to the Proposed Regulation Order, CARB, May 9, 2019, § 95690.5, subd. (c). See also Initial Statement of Reasons for the Proposed Alternative Certification Requirements and Test Procedures for Heavy-Duty Electric and Fuel-Cell Vehicles and Proposed Standards and Test Procedures for Zero-Emission Powertrains, CARB, December 31, 2018, pp. ES-3-4, 4-6.

<sup>&</sup>lt;sup>2</sup> Resolution 18-60, Proposed Innovative Clean Transit Regulation – A Replacement of the Fleet Rule for Transit Agencies, California Air Resources Board, December 14, 2018, pp. 10-11, <u>https://www.arb.ca.gov/regact/2018/ict2018/res18-60.pdf?ga=2.202009361.1287469223.1550185073-34796372.1502480917</u>.

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CalETC shares CARB's goal of increasing ZEV adoption and accelerating the reduction of greenhouse-gas and criteria-pollutant emissions. However, we believe these proposed regulations could actually delay California's realization of these emissions reductions by imposing increased costs on ZEVs and therefore slowing their entry into the market. The proposed regulations would require many significant changes to current engineering, manufacturing, warranty, recall, documentation, and reporting practices. These changes in current practice will require considerable staff time and resources for manufacturers, which in turn will add increased costs for fleets. Additionally, the regulations will likely result in longer product-release timelines and more expensive ZEVs, when these technologies are already more expensive than similar internal-combustion-engine vehicles.

CalETC recommends that CARB staff continue to work with stakeholders throughout the implementation process for the proposed regulations to ensure they will promote, and not hinder, the development and expansion of the zero-emission medium- and heavy-duty market.

We thank CARB staff for their commitment to involve CalETC and our Members throughout the development of the proposed regulations. Thank you for your consideration of our comments. Please do not hesitate to contact me if you have any questions at <u>hannah@caletc.com</u> or (916) 551-1943.

Sincerely,

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