



October 16, 2015

*Via comment submission form*

AB 32 Scoping Plan Joint-Agency Workgroup  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Comments Regarding the Joint Agency Update of the AB 32 Scoping Plan to Reflect California's 40% by 2030 GHG Emission Reduction Target**

Dear AB 32 Scoping Plan Joint-Agency Workgroup:

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to submit comments based on the October 1, 2015, Joint-Agency discussion regarding the update of the AB 32 Scoping Plan.

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's Board of Directors includes: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, and Southern California Edison. Our membership also includes major automakers and other suppliers of electric goods and people movement technologies.

We respectfully submit the following brief comments:

Utility Role

We believe that the role of utilities concerning California's transportation-electrification goals should be specifically addressed in the Scoping Plan. Utilities share the state's commitment to transportation electrification and can play a broad role, including: investing in infrastructure; educating consumers, including 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.

Low Carbon Transportation Funding

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 uncertainty in the market. Keeping in mind that the market is uncertain to begin with—less than 5 percent of the new vehicles sold in California are electric and the number of buses and trucks in the market is minimal—it is essential that the state provides some degree of certainty in its incentive programs. Including the need for incentives in the Scoping Plan, and laying out clear and certain funding sources, would provide a clear market signal to those investing in transportation electrification.

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**Page 2 of 2**

Economic Analysis Considerations

As explained by the Air Resources Board, the Scoping Plan's economic analysis will use two models for determining the costs and benefits of emission-reducing technologies: the Energy and Environmental Economics Pathways Model and the Regional Economic Models, Inc. (REMI) Model. 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 economic 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>i</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>ii</sup>

Thank you for your consideration of our comments. Please do not hesitate to contact me should you have any questions about these comments.

Regards,



Eileen Wenger Tutt, Executive Director  
California Electric Transportation Coalition

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<sup>i</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/otaq/renewablefuels/ornl-tm-2007-028.pdf>

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