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September 1, 2021

California Air Resources Board  
Sustainable Transportation and Community Division  
1001 I Street  
Sacramento, CA 95814

**RE: Clean Cars Coalition Overarching Comments on August 11th Workshop**

The undersigned organizations appreciate the opportunity to continue engaging with staff on the important Advanced Clean Cars II regulation, and to provide comments on the August 11th public workshop. At a high level, we remain concerned that CARB's current proposal for the rule fails to meaningfully advance the market for zero-emission vehicles, and certainly not at the pace and scale that climate science and environmental justice necessitate.

Fundamentally, the current proposal falls woefully short of securing the rapid transition to ZEVs needed to meet the State's goals. The ZEV sales requirement is nowhere near in alignment with CARB's own Mobile Source Strategy. The starting point in 2026 does not build at all on sales projected in 2023, and even that level of sales is not guaranteed because the rule offers excessive flexibility in the use of credits that are sure to be generated by ZEV-only manufacturers. At a time when the climate crisis and stalled-progress fighting air pollution merit an ambitious step increase, it is inexplicable that CARB's proposal is essentially market-following.

The evolution of the 2022 Scoping Plan discussion acknowledges that California needs to do more, faster. For the first time, staff outlined scenarios that are more ambitious than the Governor's Executive Order N-79-20, which promise 100% light-duty ZEV sales by 2025 or 2030 (Options A and B, respectively).<sup>1</sup> Whether or not those pathways are ultimately adopted, that proposal shows the direction CARB is moving. The ACC II rule should follow suit, and propose ZEV targets that will actually meet the state's other climate commitments.

Just in the few months since we sent our first letter, we see new evidence about the ability of manufacturers to quickly increase sales in response to stringent standards. Since the 2020/21 EU CO2 standards entered into force, EV sales have climbed into double digit percentages in almost every European country. Average market share exploded from 3% in 2019 to 11% in 2020.<sup>2</sup> Many countries with ZEV penetration rates that started below California's have now surged ahead of us.<sup>3</sup>

Manufacturers in Europe have now voluntarily committed to sales schedules even more aggressive than what our coalition has proposed: by 2025, Porsche and Volvo will both aim for 50% ZEV sales, Renault 65%, and Ford 100% (including PHEVs).<sup>4</sup> Fiat just announced that they will go fully electric by 2030.<sup>5</sup> With aggressive standards in place flanked by strong policy support, there is no reason why OEMs should not be expected to replicate these commitments in California.

CARB's conservative approach is especially evident in two critically important aspects of its proposed rulemaking. First, the equity proposal of EJ credits, in its voluntary form, will not broadly reshape ZEV access and affordability. Equally concerning, staff proposes to offer these credits in exchange for easing already-weak ZEV sales obligations, threatening to further delay mass production of electric vehicles.<sup>6</sup> We have attached for the record an August 27 letter expressing more details regarding our serious concerns with CARB's equity proposal.

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<sup>1</sup> [https://ww2.arb.ca.gov/sites/default/files/2021-08/carb\\_presentation\\_sp\\_scenarioconcepts\\_august2021\\_0.pdf](https://ww2.arb.ca.gov/sites/default/files/2021-08/carb_presentation_sp_scenarioconcepts_august2021_0.pdf) Slide 20

<sup>2</sup> Peter Mock and Sonsoles Diaz, [Pathways to decarbonization: The European passenger car market, 2021–2035](#) (May 2021) at 32.

<sup>3</sup> France, the UK, Germany, Portugal and the Netherlands all have greater EV sales shares than California (in some cases significantly so), despite starting with similar or lower penetration rates in 2018. <https://www.pewresearch.org/fact-tank/2021/06/07/todays-electric-vehicle-market-slow-growth-in-u-s-faster-in-china-europe/>

<sup>4</sup> Peter Mock and Sonsoles Diaz, [Pathways to decarbonization: The European passenger car market, 2021–2035](#) (May 2021) at 32.

<sup>5</sup> Electrive, "Fiat to go fully electric by 2030" (June 5, 2021) <https://www.electrive.com/2021/06/05/fiat-to-go-fully-electric-by-2030/>.

<sup>6</sup> At the August 11th workshop, Staff presented a slide titled: "What we have heard from the community and EJ advocates." The first bullet states: "Increase production of electric cars" which the equity credit proposal will not do.

Second, the assumptions in CARB’s cost modeling workbook grossly exaggerate the price of ZEVs, pushing the purchase cost crossover date with conventional vehicles more than a decade beyond what several other analysts have estimated.<sup>7</sup> Staff has told us that the cost estimates do not impact stringency, but if the workbook will “be used in the economic analysis of the Advanced Clean Cars II Regulation,” then inflated costs will no doubt cloud the benefits of a stronger rule. We provided detailed concerns and suggestions on the CARB cost assessment in our August 6 letter. A copy of our letter is attached for the record.

The cost estimates are especially important to correct ahead of the Standardized Regulatory Impact Assessment, as it may improperly show that greater stringency in the rule comes at higher cost.

We urge CARB to reposition California as a leader in the ZEV transition. We look forward to working with staff to craft a rule that will make zero emission vehicles widespread and accessible in this defining decade.

Signed,

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<sup>7</sup> ICCT, Bloomberg New Energy Finance, and Lawrence Berkeley National Laboratory project *upfront* price parity between 2026 and 2029.