cruise

May 17, 2021
California Air Resources Board
Clerk’s Office
1001 I Street
Sacramento, California 95814

RE: PROPOSED CLEAN MILES STANDARD

Cruise LLC appreciates the opportunity to provide comments to the California Air Resources Board (CARB) regarding the Proposed Clean Miles Standard Regulations. This regulation is the first to be developed by CARB to address environmental requirements for ride-hailing services specifically. And in our view, the Clean Mile Standard (CMS) is key for not only reducing emissions from the transportation sector, but also for transitioning the ridesharing industry toward zero-emission vehicles.

Cruise is working to safely introduce an on-demand, ride-hailing fleet of electric vehicles into the transportation ecosystem. We believe in a future where transportation systems are safe and better for our planet. Since our founding in 2013, we have championed this belief by our commitment to operating a fleet of fully electric vehicles and are actively working to promote travel by zero-emission miles.

Cruise is strongly supportive of the Clean Mile Standard and its focus on a sector that has the potential to provide the general public with a zero-emission travel option. As the only autonomous vehicle company currently operating a fully-electric fleet on California’s roads today, we believe that we’re uniquely positioned to understand the need for this action and its potential to accelerate the decarbonization of the transportation sector. As the Board continues to deliberate this regulation’s adoption, Cruise would like to respectfully recommend that the following remain top-of-mind:

Continued focus on zero-emissions vehicles used for ride-hailing

California is continuing to lead when it comes to efforts focused on decarbonizing the transportation sector. The state has taken a comprehensive approach focused on vehicles, infrastructure and education/awareness, and there are a number active programs and projects designed to help address traditional barriers to adoption, including the need for more infrastructure. Companies and entities interested in building out EV infrastructure or other zero-emission refueling stations are able to already apply for these programs - all designed to make sure these assets are more readily available for the growing fleet of California's ZEVs.

It is our view that the CMS is a part of this mosaic, and that vehicle adoption and fleet turnover should be the primary goal of this regulation. The program rightly targets the emissions from the ride-hailing industry and the priority should remain focused on transitioning this segment of the transportation fleet to zero-emission vehicles based on the promise and potential for reducing sector-wide GHG emissions.

Researchers from the University of California at Davis found that electrifying one full-time rideshare vehicle in California has the same emissions reduction impact as three private EVs due to the volume of clean miles traveled.[1] Additionally, a study by the Union of Concerned Scientists states that electrified ridesharing service vehicles "generate 53 percent fewer GHG emissions than fossil-fuel vehicles."[2] This means that increasing the number of zero-emission vehicles in ridesharing can yield tremendous benefits when it comes to cleaning the air and making the transportation sector more sustainable.

Furthermore, these electrified ride-hailing fleets present unique value add and benefits for California's grid balancing, renewable curtailment, and resiliency strategies. For example, data from EVgo and others show a unique synergy between the demand curve for ride-hailing (with high ridership in the AM and PM rush and a midday trough) and renewable generation - peaking in that midday period. Simply by nature of their duty cycle, these fleets can help capture emissions-free renewable energy through managed charging strategies in ways that would be tangibly more difficult for personal EV ownership.

The above not only shows how the ride-hailing industry is uniquely poised to positively contribute to sector-wide emissions reductions, but also how targeting this segment of travel can lead to other benefits, namely systemwide efficiencies. There are a number of companies, including Cruise, that are actively working in support of this goal. And for these reasons, we believe that the direct transition of today's ride-hailing fleet toward zero-emission vehicles should remain the primary target of the CMS.

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[1] Alan Jenn. "Emissions Benefits of Electric Vehicles in Uber and Lyft Services". *National Center for Sustainable Transportation.* August 2019. https://escholarship.org/uc/item/15s1h1kn.

[2] CEC *Draft 2020 IEPR Update, Volume I: Blue Skies, Clean Transportation*, p44

Incentives for ride hailing companies that meet and/or are making progress toward eVMT targets

Cruise believes that meeting California's ambitious climate goals means being intentional, strategic, collaborative and creative in how we move toward sustainable transportation. We think that ride-hailing companies that are already zero-emission, or diligently working to transition the vehicles in their fleet or on their platforms, should be supported and encouraged to continue their efforts. This is why in addition to the aforementioned focus on vehicles, Cruise recommends the inclusion of an incentive model in the CMS's programmatic operation.

As a company, Cruise is actively working to do our part to help reduce emissions from the transportation sector. We were intentional in our decision to operate a fully-electric fleet, and by design, our business model of centrally-owned and operated EV fleet also allows us to expand our impact via sustainable fleetwide energy procurement decisions. We currently power our fleet of vehicles with 100 percent renewable energy in California - a move that would not have been possible without the right policy via CARB's Low Carbon Fuel Standard (LCFS) and its inclusion of both a credit generation mechanism and a flexible design structure.

Programs like the LCFS have been incredibly effective in reducing the carbon intensity of California's transportation fuel stock, and it does so in a way that is metrics-driven and technology-neutral. Cruise encourages CARB to explore similar policy design that not only imposes costs for non-compliance, but also provides incentives for technologies and models that can deliver early gains for the CMS's electrification goals.

Conclusion

Cruise thanks CARB for the opportunity to weigh in on these important policy matters. The proposed regulation will have long-lasting impacts on the success of the state's ambitious electrification targets. Capturing the benefits of all available technologies and business models will therefore be critical in achieving our goals.

Sincerely,

Prashanthi Raman
Director, Global Government Affairs
Cruise LLC