

October 22<sup>nd</sup> 2014

Mr. Richard Corey  
Executive Officer  
California Air Resources Board  
1001 I Street,  
Sacramento, California 95814

**Re: BMW Comments on the Proposed Revisions to the California Zero Emission Vehicle Program Regulations**

Dear Mr. Corey,

On behalf of BMW AG, BMW of North America, LLC (BMW) appreciates the opportunity to comment on the proposed revisions to the California Zero Emission Vehicle (ZEV).

In January 2012 California Air Resources Board (ARB) adopted major amendments to the ZEV regulations which increased stringency for 2018 model year (MY) and beyond to help meet California's long term Greenhouse Gas goals.

In the push for higher volume production of advanced technology vehicles, ARB adopted additional flexibilities for manufacturers to meet the more stringent requirements in California and in the states who have adopted California ZEV regulations, the Section 177 states. This included the introduction of an Optional Compliance Path also known as the pool provision.

The Optional Compliance Path required manufacturers to place additional BEVs in the Section 177 states equal to 0.75% of sales in MY 2016 and 1.5% of sales in MY 2017. In exchange for the pre-2018 additional ZEVs placed in the Section 177 ZEV States, manufacturers were allowed to comply with reduced TZEZ percentage and minimum ZEV requirements in MY 2018-2020, as well as reduced TZEZ requirement in MY 2015. In addition to credit percentage reductions, manufacturers on this Optional Compliance Path are allowed to 'pool' their TZEZ and ZEV credits within regional Eastern and Western pools through MY 2021.

BMW commends ARB and Section 177 states for allowing this additional compliance flexibility to manufacturers. However, the deadline designated to sign up for this Optional Compliance Path falls only four months after launch of BMW's first purpose built battery electric vehicle.

The BMW i3 represents a holistic approach to sustainability throughout the value chain while offering a visionary design, a ground-breaking vehicle architecture and much more. While early market response has been extremely positive, a robust prognosis of wider consumer adoption of such advanced technology vehicle is not possible at the very first months of market launch.

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For this reason BMW respectfully requests ARB consider allowing a second phase for signing up for the Optional Compliance Path between September 2<sup>nd</sup>, 2014 - September 1<sup>st</sup>, 2015. We propose manufacturers opting in the Optional Compliance Path in this second phase forgo the reduced 2015 MY TZEVs available to those who signed up in the first phase.

BMW is committed to working constructively with ARB and Section 177 States on this matter. If you should have any questions please contact me or Dr. Azita Khalili at (805) 271-7314.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christoph Huss', written over a horizontal line.

Christoph Huss  
Vice President, Engineering - US

cc: Mary Nichols  
Dr. Alberto Alaya  
Annette Herbert  
Analisa Bevan  
Elise Keddle  
Section 177 States

	MY 2015	MY 2016	MY 2017
IVM – base Compliance Path	12%	12%	12%
IVM – Optional Compliance Path Signed up prior to September 1 <sup>st</sup> 2014	11.25%	12.15%	13.05%
<b>IVM - Optional Compliance Path Sign by September 1<sup>st</sup> 2015</b>	<b>12%</b>	<b>12.15%</b>	<b>13.05%</b>

