

September 15, 2014

California Environmental Protection Agency (CalEPA)
California Air Resources Board (CARB)
1001 "I" Street
Sacramento, CA 95814

Subject: Cap-and-Trade Auction Proceeds in Disadvantaged Communities

Dear CalEPA and CARB Staff,

We appreciate the opportunity to provide comments on the Draft Cap-and-Trade Auction Proceeds Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (Draft SB 535 Guidance). We commend CalEPA and ARB for drafting a plan that identifies disadvantaged communities throughout California and evaluates the benefits to the disadvantaged communities in order to help implement SB 535 to improve air quality and provide other health benefits to California's most vulnerable communities.

Proterra Inc is the leading U.S. manufacturer of zero-emission commercial transit buses and makes the world's first all-electric fast-charge public transit bus. Our buses are in service in northern and southern California and throughout the country. Operators can drive approximately 30+ miles between charges, charge along their routes in under 7 minutes by utilizing automated roof top charging and then continue on their routes, charging as needed—offering functionally unlimited range all day long.

The Proterra CATALYST™ achieves 22+ miles per gallon diesel equivalent performance, 500%+ better than diesel and CNG buses. In addition, Proterra's advanced technology avoids mobile smog-causing emission and reduces carbon emissions by 70% or more compared to CNG or diesel buses. Zero-emission transit buses also provide the opportunity for all Californian's to ride an electric vehicle and realize the health and other associated benefits.

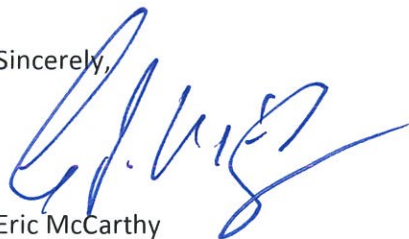
Specific comments include:

1. Zero-emission, public transit buses eliminate toxic tailpipe diesel emissions, help clean the air in impacted and disadvantaged communities and alleviate toxic exposures for passengers and the surrounding community.
2. Within the Low-Carbon Transportation category in the Draft SB 535 Guidance, we support the proposed definition of "benefiting." Zero-emission public transit buses will provide direct benefits to an identified disadvantaged community, the adjacent communities, as well as transportation hubs and impacted corridors throughout California.
3. In addition, we support the proposed definition of "within" as "a vehicle that travels a fixed route primarily in these tracts or serves transit stations/stop in these tracts."

4. Zero-emission public transit bus technology is ripe for immediate scaling and fleet expansion. The key to accelerating deployment and carrying out the Governor's ZEV Action Plan is to create the strong spark needed now to overcome up-front costs and inertia in order to accelerate deployments of commercially available heavy-duty ZEV technology, which already offers unlimited range and the least expensive total cost of ownership. Therefore, we encourage the implementation of SB 535 to be as broad and inclusive as possible in both identifying disadvantaged communities and evaluating benefits in order to reduce the limitations of deployment of zero-emission public transit buses to provide air quality, health, and other benefits for communities throughout California.
5. Specifically, we request including communities that score within the top 20-25% to be eligible to receive cap-and-trade funding under SB 535, with the opportunity for the funding solicitation to allocate a higher score to those projects that are in the top 15-20% and top 15% of disadvantaged communities in California. We also suggest overlaying the maps of all five methods, as each map represents identified disadvantaged communities that will directly benefit from zero-emission public transit pilots and deployments.

Again, we thank you for the opportunity to provide comments on the Draft SB 535 Guidance and appreciate the efforts of CalEPA and CARB to reduce mobile source criteria pollutants, greenhouse gas emissions and toxic exposures in communities throughout California.

Sincerely,



Eric McCarthy

VP Government Relations & General Counsel

emccarthy@proterra.com