

TOYOTA

Toyota Motor Engineering &
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Clerk of the Board
California Air Resources Board
1001 I Street
PO Box 2815
Sacramento, CA 95812

June 26, 2014

Re: Toyota Comments on the Proposed Fiscal Year 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments

Toyota submits these comments to the Clean Vehicle Rebate Project (CVRP) portion of the staff's proposed Fiscal Year 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments, and also incorporates by reference the joint comments by the Alliance of Automobile Manufacturers, the Association of Global Automakers, Inc. (Global Automakers) and the CVRP coalition lead by the California Electric Transportation Coalition (Cal ETC).

Toyota, along with many others in the auto industry is investing heavily in a broad portfolio of advanced technology vehicles that include fuel cell vehicles, battery electric vehicles and plug-in hybrid electric vehicles. However, the market is still in its infancy and market incentives including the CVRP are critical in expanding the market until it is self-sustaining. Toyota appreciates the work that staff has put into the proposed funding plan, and would like to emphasize our position on the following 3 items:

1. Toyota supports the staff's proposal for the Fuel Cell Vehicle rebate amount, which is \$5,000 per vehicle.
2. Toyota believes the rebate amount for Battery Electric Vehicles and Plug-in Hybrid Electric Vehicles should be maintained at the current fiscal year values, which are \$2,500 and \$1,500 per vehicle, respectively.
3. The contingency plan that would allow the Executive Officer to reduce or eliminate rebates for select PHEVs is discriminatory against certain ZEV technologies and should be revised to be technology-neutral. Doing otherwise could create a significant market disadvantage and be extremely prejudicial to technologies and products that are already in the market (and otherwise recognized under California's ZEV program).

If you have any questions or comments, feel free to contact Michael Lord at (310)787-5644 or michael.lord@tema.toyota.com.

Sincerely,



Kevin Webber, General Manager
Vehicle Regulation and Certification Engineering

Cc: Richard Corey, Alberto Ayala, Annette Hebert, Erik White