

October 13, 2016

California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: ZEV Program and Northeast and Mid-Atlantic States

Dear Chair Nichols and Members of the California Air Resources Board:

We appreciate the important work that the California Air Resources Board (“ARB”) has undertaken to support the deployment of cleaner vehicle technologies that power our nation’s transportation. A significant component of these efforts has been the Zero Emission Vehicle (“ZEV”) program that is currently undergoing a review as part of the Advanced Clean Cars Program. The ZEV program effectively requires increasing percentages of vehicles that produce zero emissions for all or part of its operation, including both plug-in electric vehicles (“EVs”) and hydrogen fuel cell vehicles (“FCVs”).

When it comes to vehicle emissions, states have two choices. They can accept the federal standards or adopt and enforce the more protective California standards. Nine other states currently have adopted California’s standards including the ZEV program and rely on ARB to set the bar. The undersigned 34 public interest and clean energy organizations, each actively promoting ZEVs in the Northeast and Mid-Atlantic, are writing to support ARB’s mandates for ZEVs generally and to support specifically: (1) the expiration of the “travel provision” loophole for battery electric vehicles as scheduled at the end of 2017 and phase out for fuel cell vehicles, and (2) updates to the ZEV program that ensure we are on track to meet goals for ZEV deployment set by each state and in the multi-state ZEV Memorandum of Understanding (“MOU”).

Benefits of EVs and ZEVs

EVs and other ZEVs provide a wide range of economic, environmental and public health benefits. This starts with consumer savings from lower fuel prices when driving on electricity and decreased dependence on oil. Air pollution from cars, trucks, and buses is linked to asthma attacks, heart attacks, other health complications, and premature deaths. Since EVs have little or no conventional tailpipe emissions, they can be a key component to improving health outcomes and reducing costs to treat illnesses. EVs also have significant climate benefits. With the current electricity generation mix in the Northeast and Mid-Atlantic region, a car that only uses electricity from the grid will be responsible for 50-70% less greenhouse gas pollution than a comparable gasoline-only vehicle. For this reason, EVs have a critical role to play in meeting our states’ ambitious greenhouse gas-reduction goals. As we shift to cleaner sources of electricity,

the public health and environmental benefits of EVs will only increase over time. Last but not least, these vehicles are also fun to drive and provide a good consumer experience.

Efforts to Promote and Prepare for ZEVs in the Northeast and Mid-Atlantic

Over the past several years, our organizations have been working to ensure that the ZEV Program states in the Northeast and Mid-Atlantic¹ are taking action to promote ZEVs. We have worked with a wide variety of policymakers and stakeholders, including a December 2014 letter from a broad coalition of 67 organizations to all Northeastern and Mid-Atlantic governors urging prioritization of policies to support EVs, robust participation in a number of state task forces and commissions, and direct activities to encourage awareness of the availability and benefits of ZEVs in the region.

These efforts have helped achieve a number of major successes, including:

- Consumer rebate programs, sales tax waivers, or tax credits for ZEVs have been implemented in Connecticut, Maryland, Massachusetts, New Jersey, and Rhode Island and will be implemented shortly in New York. Maine and Vermont have also adopted temporary or pilot rebate programs.
- Grant programs have accelerated investments in EV charging stations and EV fleets for businesses, municipalities, and universities in many states, including Connecticut, Maine, Maryland, Massachusetts, New York, Rhode Island, and Vermont.
- Utility regulatory issues related to EVs have been addressed by statute or commission orders in Connecticut, Maine, Maryland, Massachusetts, and New York.
- Education and outreach programs such as National Drive Electric Week, Drive Electric Vermont and the Massachusetts Drive Clean Campaign are promoting EVs widely to consumers.

These policies and programs, among many others, are driving increased adoption of EVs, new installations of charging infrastructure, and higher consumer awareness across the region. Our organizations continue to advocate for further progress, such as programs specifically for low-income communities and improved utility frameworks to increase EV adoption and maximize benefits. The pending settlement among California, the federal government and Volkswagen presents an additional opportunity to continue and expand upon our states' progress.

Support for Ending the Travel Provision and Ensuring Achievement of ZEV Goals

Strengthening the ZEV Program is critical to our continued success in expanding EV penetration in the Northeast and Mid-Atlantic and achieving the ZEV goals set by individual states and in the multi-state ZEV MOU. As ARB conducts its review of the ZEV Program, we urge you to take action to continue and strengthen requirements to build, sell, and promote EVs in our region.

¹ Connecticut, Maine, Maryland, Massachusetts, New Jersey, New York, Rhode Island, and Vermont

First, we urge ARB to allow the “travel provision” for battery electric vehicles to expire as scheduled at the end of 2017 and phase-out the “travel provision” for FCVs. The “travel provision” allows a vehicle placed in any ZEV Program state to count towards compliance in every ZEV Program state. As a practical matter, this provision has allowed vehicle manufacturers to focus their efforts and inventory in California, effectively rendering the regulations non-binding in the other ZEV Program states. Recent studies by the Sierra Club² and Union of Concerned Scientists³ confirm that automakers and dealers are not doing enough to make EVs available to consumers in the Northeast and mid-Atlantic, in spite of significant consumer interest. The travel provision is currently scheduled to expire at the end of 2017 for battery electric vehicles. We strongly support this expiration and we additionally support phasing out the travel provision for hydrogen fuel cell vehicles. We would also oppose any other types of delay or other measures to weaken the standard for the ZEV Program states in the Northeast and Mid-Atlantic.

Second, we ask ARB to update and tighten-up the credit system to better reflect the vehicle technologies that will be deployed over the 2018 to 2025 timeframe, rather than technologies that are either dated or no longer relevant. When the ZEV rules were last revised, the average battery electric vehicle in 2018 was expected to have a real-world range of roughly 70 miles between charges, and no improvement was assumed through 2025. This drove many of the details of the design of the current ZEV Program. Already, today’s cars are way ahead. The 2016 Nissan Leaf has exceeded this goal, while the range of Tesla’s forthcoming Model 3 and the Chevy Bolt will exceed 200 real-world miles. The unforeseen result of the advancement in technology is that automakers will receive far more credits than originally assumed and will be able to meet their ZEV mandate by selling far fewer vehicles than originally estimated, as shown by a recent report commissioned by the Natural Resources Defense Council.⁴ A few modest updates would ensure that the credits given per vehicle reflect the actual range of modern ZEV, putting us back on track to achieve the goals set by each state and the multi-state ZEV MOU.

We reiterate our appreciation for ARB’s great dedication to promoting the environmental, public health, and economic benefits of ZEVs. We respectfully request that ARB seize the opportunity presented by its review to further strengthen the ZEV Program as described above to reflect new technological realities and ensure achievement of our states’ climate and clean air goals.

Thank you for your consideration. We look forward to continuing to support implementation of the ZEV Program in the coming years.

² https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/1371%20Rev%20Up%20EVs%20Report_09_web%20FINAL.pdf

³ <http://www.ucsusa.org/clean-vehicles/electric-vehicles/ev-availability>

⁴ https://www.nrdc.org/sites/default/files/media-uploads/nrdc_commissioned_zev_report_july_2016_0.pdf

Sincerely,

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CC:

Governor Edmund G. Brown Jr.

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