

July 8, 2016

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

SUBMITTED ELECTRONICALLY VIA
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Dear Mr. Corey:

RE: 2030 Target Scoping Plan Concept Paper

The Association of Global Automakers, Inc.¹ (“Global Automakers”) is committed to reducing greenhouse gas (GHG) emissions, and our members are actively pursuing lower emitting, more fuel efficient and greener technology options to help achieve the goals set under the California Advanced Clean Car program. In the 1990s, our member companies became the first to successfully introduce commercial hybrid electric vehicles into the market. Today, there are over 50 hybrid models available in the market, and 29 electric vehicle models, which include battery, plug-in hybrid and fuel cell electric vehicles. Global Automakers’ member companies account for 56% of all new vehicle sales and 66% of green new vehicle sales in California.

We appreciate the Air Resources Board’s ongoing stakeholder process to inform the Scoping Plan and understand the purpose of the 2030 Target Scoping Plan Update Concept Paper is to provide an opportunity for stakeholder input on the four outlined scenarios, each with a different sector focus, to reach the Governor’s goal of a 40% reduction in GHG emissions by 2030. As Global Automakers noted in our October 2015 testimony on the Mobile Source Strategy, which is referenced and incorporated in this concept paper, “Targets alone don’t create markets; flexibility in the regulations and market enablers are necessary as we strive for the near term goals.” To this end, the four scenarios demonstrate that no single sector needs to be the focus going forward and that to provide the utmost flexibility and cost-effectiveness in working towards the 2030 goals, a scenario that incorporates further reductions from each sector may be best the approach.

For instance, Concept 3, which focuses on the transportation sector, appears to place the full burden on the light-duty vehicle sector, suggesting an increase in light-duty electric vehicles from 1.5 million in 2025 to 3.5-4.5 million by 2030, when all other legislated actions are held constant. Yet, the targets for the other transportation areas remain unchanged, and no cap-and-trade targets are included. Thus, this scenario unnecessarily burdens light-duty vehicles, and because it does not include cap-and-trade, does not appear to consider the impacts of an uncontrolled electricity sector when the automotive sector is shifting to electrically-powered vehicles.

¹ In California, to date, Global Automakers’ member companies have invested over \$4 billion, with a sizeable amount in green technology. We operate more than 75 facilities, including 16 research and development sites, and employ more than 11,000 Californians.

Further, while the concept paper notes that “Strategies to reduce GHG emissions vary and require ongoing evaluations to accommodate innovation and change,” it is not clear how such innovation and change is accounted for in the scenarios. (p. 7) Other than mentioning the need to accommodate innovation, there does not appear to be consideration or discussion of the role such innovation may play in the Scoping Plan.

Although the Scoping Plan is a planning document, much like the previously released Mobile Source Strategy, these documents influence strategy and direction for the Air Resources Board. Thus, to incorporate these positions into future regulations, they must go through a full public process that includes consideration of feasibility, alternative regulatory scenarios, cost-benefit analysis and socio-economic impacts. The current light-duty vehicle standards through 2025 are challenging and must be fully vetted through a midterm review process, which will consider how to maintain balance between consumers’ purchasing decisions and the technology driven by the standards; we are only just now beginning a process of review for the Zero Emission Vehicle and Greenhouse Gas regulations through 2025.

Consequently, we believe that planning actions out through 2030 are appropriate for an initial forward-looking vision. However, the Scoping Plan and Mobile Source Strategy, as well as the State Implementation Plan Strategy currently available for public comment, should recognize that 2025 is still under review, and outcomes of the review can impact the trajectory beyond 2025. These documents should not inadvertently pre-determine the outcome of the midterm review.

Global Automakers and our member companies are making significant investments to produce low and zero emission vehicles and look forward to working with policymakers in assessing future GHG targets. Thank you for consideration of our comments. If you have any questions regarding these comments, I can be reached at (202) 650-5555 or jrege@globalautomakers.org.

Sincerely,



Julia M. Rege
Director, Environment & Energy

CC: Alberto Ayala
Edie Chang