May 5, 2021

Ms. Liane Randolph
Chair, Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: EVCA and Auto Innovators Comments on the California Clean Miles Standard Proposed Regulation Order

Dear Chair Randolph,

On behalf of the Electric Vehicle Charging Association (EVCA) and the Alliance for Automotive Innovation (Auto Innovators), thank you for the opportunity to comment on the Air Resources Board's (Board) proposed regulation order (order) for the California Clean Miles Standard.

EVCA is a not-for-profit trade organization of twelve leading electric vehicle (EV) charging industry member-companies and one zero-emission autonomous fleet operator. EVCA's mission is to advance the goal of a clean transportation system in which the market forces of innovation, competition, and consumer choice drive the expeditious and efficient adoption of EVs and deployment of EV charging infrastructure.

Auto Innovators represents car companies that produce over 95 percent of new vehicles sold in California, as well as original equipment suppliers, automotive technology, and other automotive-related companies and trade associations.[1] Auto Innovators is dedicated to transforming personal mobility, in a cleaner, safer, and smarter manner.

EVCA and Auto Innovators applaud the Board's work to help electrify transportation network companies' (TNC) vehicle supply. Electrifying such a large segment of vehicles

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[1] Auto Innovators members include vehicle manufacturers (BMW, FCA, Ferrari, Ford, GM, Honda, Hyundai, Isuzu, Jaguar Land-Rover, Karma, Kia, Maserati, Mazda, Mercedes-Benz, Mitsubishi Motors, Nissan, Porsche, Subaru, Suzuki, Toyota, and Volkswagen), original equipment suppliers, technology companies, and other automotive-related companies and trade associations. For more information, visit our website http://www.autosinnovate.org.

will not only reduce greenhouse gas emissions and air pollution, but further help zero-emission vehicle (ZEV), charging, and refueling infrastructure markets further scale up and thereby continue to bring costs down for all Californians. The order's ambitious targets will help ensure these benefits are realized and further support the flexibility that is afforded to TNCs to allow them to meet those targets. We agree that allowing flexibility and innovation will be vital to ensuring these goals are met and would respectfully recommend the Board consider additional measures in that vein to support low-income drivers.

As the Board considers the order for final adoption, we respectfully recommend strong consideration to be given to the continued need for state incentives to help with both EV and charging station deployment to fulfill the promise of this regulation. While the Board's vehicle regulations have been critical to advancing the manufacturing and deployment of zero-emission vehicles broadly, the importance of financial incentives as a complementary policy in advancing the growth of this market in the last ten years cannot be overstated.

To that end, we submit the following comments for consideration:

1. **Continued funding for vehicle purchase incentives through the Clean Vehicle Rebate Project, Clean Cars 4 All and other clean vehicle purchase programs is critical.**

Clean vehicle purchase incentive programs, including the Clean Vehicle Rebate Project (CVRP), Clean Cars 4 All, and others have been critical to advancing the growth of the EV market. However, the administration has proposed eliminating funding for CVRP in future budget cycles, and the program is now set to run out of funding in the next couple of months.

The Initial Statement of Reasons correctly recognizes that "the majority of [TNC] drivers come from communities of concern and may have a difficult time with the cost of purchasing or leasing a zero-emission vehicle".[2] While we strongly support the continued focus on allocating cap-and-trade proceeds to equity-focused vehicle incentive programs to help these drivers overcome the initial capital cost of purchasing a ZEV, these secondary market programs have in part been so successful because of early adopters purchasing vehicles through CVRP. To allow CVRP to run out of funding now could have a significant chilling effect on the ZEV market not only in California, but

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[2] California Air Resources Board, *Proposed Clean Miles Standard Regulation, Staff Report: Initial Statement of Reasons*, March 30, 2021, Retrieved from https://ww3.arb.ca.gov/regact/2021/cleanmilesstandard/isor.pdf on May 4, 2021.

across the country just as states are looking to dramatically accelerate electrification and move beyond early adopters.

Even with the existing array of ZEV models on the market, and more to come in the next few years, ZEVs are still fighting to become cost competitive with internal combustion engine vehicles. Now is not the time to eliminate CVRP funding, and we strongly encourage the Board to consider ways to maintain funding for the program out to at least 2025.

2. **Vehicle incentive programs must evolve to recognize and reward evolving vehicle ownership and use models.**

In addition to the need for continued ZEV incentives, we respectfully encourage the Board to evaluate how to increase TNC drivers' access to incentives through existing or future programs. Drivers face unique challenges accessing existing incentive programs due to their vehicle ownership or use models, and need help overcoming these barriers.

For example, expanding incentive funding could allow new programs that support more fleet purchases so that these vehicles can be made available more affordably for TNC drivers. CC4A's scrap and replace programs could be modified to relax scrappage vehicle qualifications to 10-year-old vehicles (rather than 12) so that TNC drivers and other part- and full-time commercial drivers can participate, since older vehicles are not allowed on TNC platforms for safety purposes. Additionally, most TNC drivers acquire vehicles from the secondary market, so to the greatest extent possible, existing programs should be expanded to support used ZEV purchases by TNC drivers.

Modifying programs like CVRP and Clean Cars 4 All (CC4A) to enable penetration of ZEVs to these harder to reach individuals will not only help them satisfy the targets of this regulation but will also bring significant air quality and societal benefits to those hardest to reach communities.

3. **ZEV infrastructure incentives must help deploy infrastructure in "urban mobility hubs" to serve ride-hailing.**

Similar to ZEV deployment, while the state has made great strides to deploy significant amounts of public charging stations over the last decade, infrastructure gaps remain in key locations for various segments of the ZEV market. "Urban mobility hubs", which include downtown cores in urban centers, airports, and areas with large concentrations of multi-unit dwellings, need robust infrastructure to serve ride-hailing. This is reinforced by the Energy Commission's AB 2127 EV infrastructure assessment, which concluded that there are high concentrations of ride-hailing drivers at these hubs, and they will need access to a higher amount of available charging, especially DC fast chargers[3]. This is further substantiated by the Energy Commission's SB 1000 report, which showed that in higher density areas, there is a shortage of charging infrastructure, especially fast charging infrastructure which is critical to rapid charging experiences for TNC drivers. [4]

EVCA and Auto Innovators respectfully encourage the Board to assess its existing incentive programs, including the Clean Mobility Options pilot program, to encourage deployment of ZEV infrastructure in urban mobility hubs. Furthermore, given the significant investment in infrastructure from the Energy Commission and investor-owned utility incentive programs, we respectfully encourage the Board to coordinate with the Energy Commission and Public Utilities Commission to create alignment between its vehicle regulations and these incentive programs. This will help ensure the ride-hailing industry has access to robust charging and fueling options.

4. **TNCs should be incentivized to invest in ZEV charging and refueling infrastructure.**

EVCA and Auto Innovators support the Board's decision to provide flexibility to TNCs by allowing them to earn credits toward compliance if they invest in bike lanes and integration with public transit. We respectfully encourage the Board to consider broadening this flexibility and further reward innovation from TNCs – for instance, TNCs should also be able to earn credits toward their eVMT targets if they invest in ZEV charging and fueling infrastructure. As the Board knows, the state is currently projected to fall short of its 2025 charging station deployment goal by approximately 60,000 charging stations, and the infrastructure requirements to meet California's 2035 ZEV sales requirement are exponentially higher than the current state of public infrastructure.

Rewarding TNCs for privately financing public infrastructure would bolster infrastructure deployment and could further complement existing public and ratepayer incentive programs from the Board, Energy Commission, and Public Utilities Commission. This would also have the benefit of helping further the success of this regulation, and it would encourage TNCs to finance infrastructure that supports the transition to ZEVs. As noted in analysis by the Energy Commission, there is a lack of needed infrastructure for ride-hailing, especially in downtown cores, airports, and

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[3] California Energy Commission. *AB 2127 Electric Vehicle Charging Infrastructure Assessment*. January 2021. Page 41.

[4] California Energy Commission. *SB 1000 Electric Vehicle Charging Infrastructure Deployment Assessment*. December 2020. Page 27.

multi-unit dwellings, which will be critical to supporting the implementation of the order. Therefore, we respectfully request the Board adopt modifications to the order to offer a credit against the percent eVMT targets for investments made by TNCs in ZEV infrastructure.

Thank you for your consideration,

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