COLTURA
For a Gasoline-Free America

November 4, 2021

Liane Randolph, Chair
California Air Resources Board (CARB)
1001 "I" Street
Sacramento, CA 95814

Re: Coltura Comments on the 2021-2022 Funding Plan for Clean Transportation Incentives

Dear Chair Randolph and Members of the CARB Board,

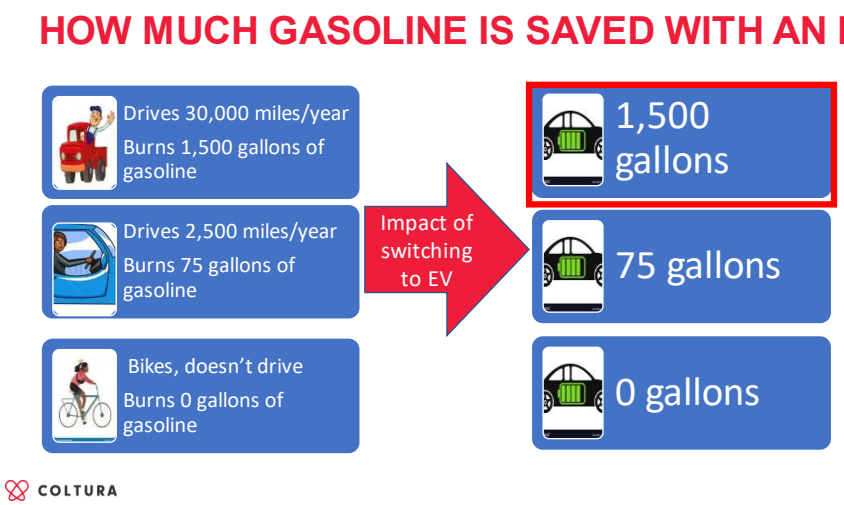
Thank you for the opportunity to provide comments on the Fiscal Year 2021-2022 Funding Plan.

Coltura is a nonprofit working to accelerate the transition from gasoline to cleaner alternatives. Our comments focus on the light duty vehicle sector. We provide the following suggestions to improve the Funding Plan:

1. **Revise EV incentives to maximize gasoline displacement per dollar spent**

We appreciate the work CARB is doing to electrify light duty vehicles through multiple EV incentive programs. We encourage CARB to prioritize spending on these programs to maximize emissions reductions. Efficient spending on EV incentives means ensuring maximum gasoline displacement per dollar spent.

Unfortunately, current EV incentives do not do this. EV incentive amounts are the same for a bicyclist burning no gasoline as they are for a super-commuter in an inefficient vehicle burning 1,500 gallons of gas a year.



Similarly, California's current cash for clunkers program (Consumer Assistance Program) pays the same regardless of how much gasoline the clunker was burning. A clunker that sits in the garage and is barely driven gets the same amount as one that burns a thousand of gallons a year.

In a climate crisis, with gasoline as the biggest source of carbon emissions, this needs to change. EV incentives should be tied to gasoline consumption and designed to get the biggest users of gasoline to switch to EVs first.

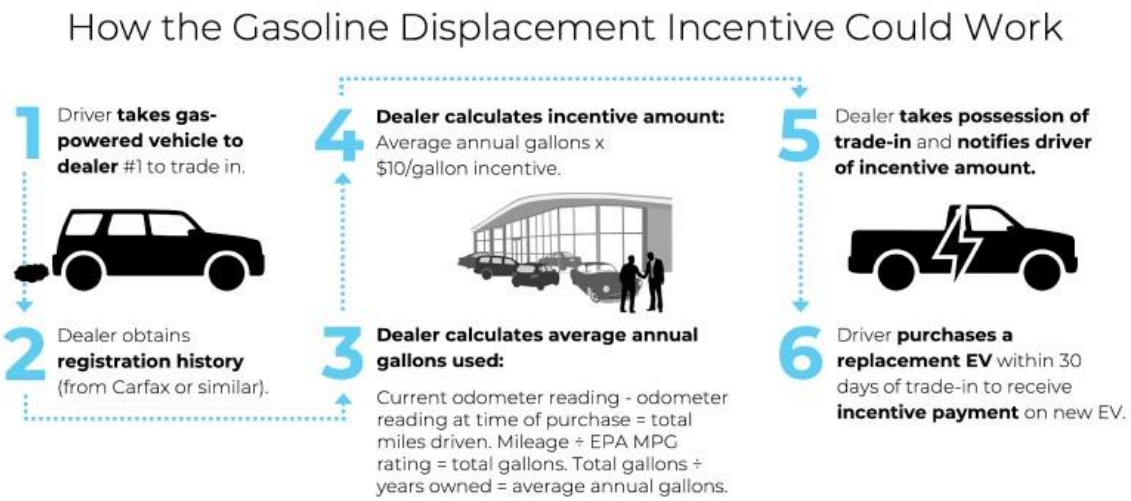
2. **Revise EV incentives to get drivers burning the most gasoline to switch to an EV first**

We urge CARB to update the funding plan so that EV incentives focus on getting the drivers burning the most gasoline to switch to EVs first**.** Doing so will reduce emissions more efficiently AND will do a better job of advancing equity in the transition to EVs.

Coltura has issued a report about the drivers in the top 10% in terms of gasoline consumption ("gasoline superusers"), some highlights of which are incorporated in these comments.

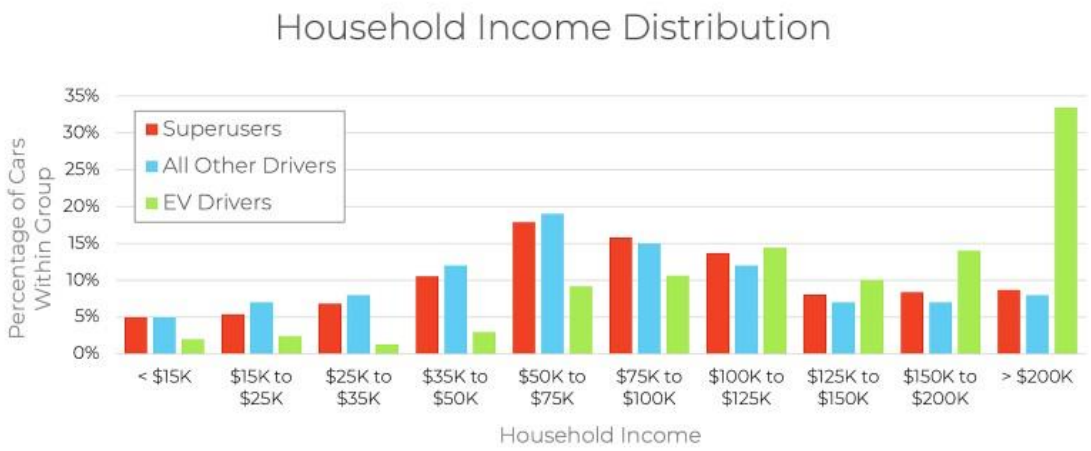
Getting the biggest gasoline users to switch to an EV first could be achieved by **tying the incentive amount to the driver's past annual average gasoline use**. The more gasoline a driver is burning, the bigger the incentive. For instance, an incentive of $10/average annual gallon of gasoline burned would give a truck driver burning 1,500 gallons a year $15,000 to switch to an EV. A Prius driver with a short commute burning 40 gallons of gas a year would get a $400 incentive.

The incentive amount would be easy to calculate from the odometer reading when the driver acquired the vehicle – data which is kept by the DMV and can also be obtained through services like Carfax.



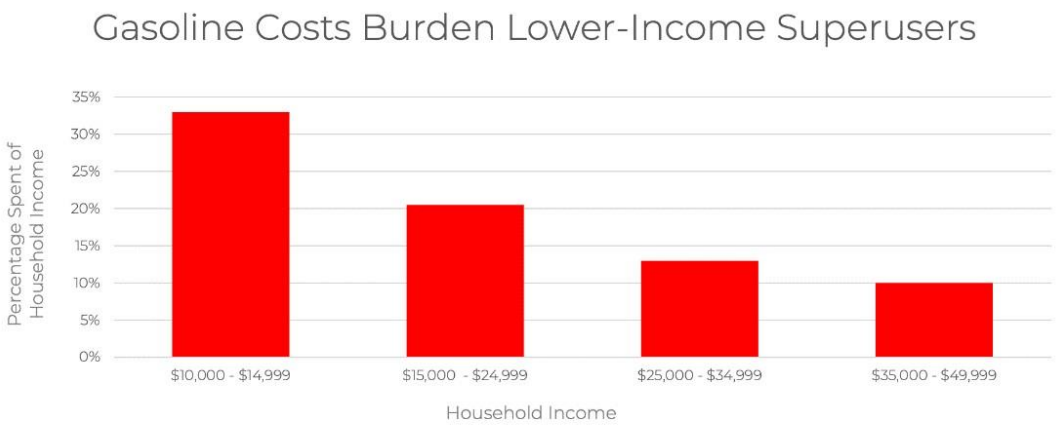
3. **Advance equity by giving biggest EV incentives to biggest gasoline users**

Data from the 2017 National Household Travel Survey indicates that current drivers taking advantage of current EV incentives tend to have high incomes. In contrast, the top 10% of gasoline users ("gasoline superusers") mirror the income allocation of the general public, with most of them in low to middle income levels. Thus, reforming EV incentives by tying the amount of the incentive to past gasoline use would provide bigger incentives to lower and middle income drivers – **advancing equity while maximizing the climate benefit of each dollar spent.**



Source: 2017 National Household Travel Survey, Coltura analysis

Low-income drivers who use the most gasoline would also realize enormous savings on fuel if they received a big enough incentive to get them to switch to an EV. Gasoline expenditures for the biggest gasoline users can comprise up to a third of low-income household earnings.



Source: National Household Travel Survey, Coltura analysis

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Additionally, CARB could provide an extra incentive for lower-income drivers and/or drivers in disadvantaged communities. For instance, if the general EV incentive were $10 per average annual gallon of gasoline burned, CARB could increase the incentive to $15 per average annual gallon burned for drivers or households below a certain income level.

4. **Dedicate funding for additional policies to incentivize biggest gasoline users to switch to EVs**

More research is needed into the biggest users of gasoline about where they live, what they drive, why they use so much gasoline, their driving habits, and what it would take to get them to switch to EVs. We urge CARB to fund further study and focus groups of big gasoline users. Funding will also be needed to site public fast charging where gasoline superusers need it, and to educate gasoline superusers about EV incentives.

In sum, California has an opportunity to reform EV incentives to maximize both emissions reductions and equity. We encourage CARB to lead this effort and model rapid light duty emissions cuts for the world.