



November 14, 2022

Chair Randolph and Members of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Coltura Comments on Fiscal Year 2022-23 Funding Plan for Clean Transportation Incentives

Dear Chair Randolph and Members of the Board:

Coltura is a nonprofit working to cut gasoline use at speed and scale. It respectfully submits this comment in response to the California Air Resources Board (ARB)'s Fiscal Year 2022-23 Funding Plan for Clean Transportation Incentives Accompanied by Carl Moyer Program Guideline Changes (the "Plan").

Scientists have warned that we must cut carbon emissions from all sources in half by 2030 to avoid the worst impacts of climate change. In California, burning gasoline in passenger vehicles makes up 28% of those emissions, and thus the light duty vehicle sector must do its fair share to achieve the 50% cut.

We are not on track: California gasoline consumption continues to hover around 14 billion to 15 billion gallons per year as it has done for the last decade.

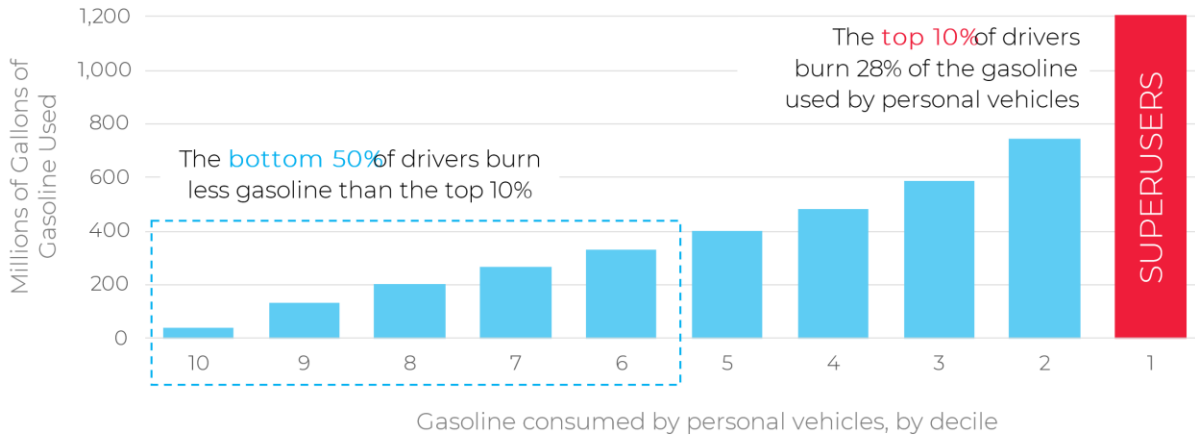
Strategic funding of policies and incentives to *drive gasoline consumption down* will be critical to meet our climate goals.

Focus on the Biggest Gasoline Users

California drivers of personal vehicles in the top 10% in terms of their gasoline consumption ("Gasoline Superusers") account for 28% of all the gasoline – more than the bottom half in terms of their gasoline use combined. And yet, currently EV incentives are mostly going to drivers in the bottom 50%.



Superusers Burn the Most Gasoline CA Personal Vehicles



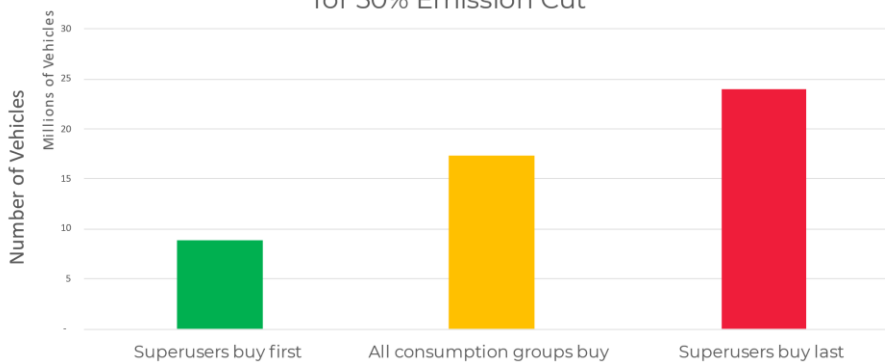
Source: DMV, BAR, Coltura Analysis

Similar patterns are true for commercial, government, and rental vehicles – the top 10% in terms of gasoline use consume an outsized portion of the gasoline. Targeting these drivers is a more efficient, effective way to maximize the climate benefits of EV incentive funds.

Prioritizing the biggest gasoline users for the switch to EVs is also a more efficient use of resources. If the biggest gasoline users switch to EVs first, California will need about 9 million EVs on the road to cut passenger vehicle emissions in half. If the biggest gasoline users switch last, it will take about 24 million EVs on the road to achieve this target.



Number of California Vehicles That Must Switch to ZEVs for 50% Emission Cut



Source: DMV/BAR, Coltura Analysis

Gasoline Burdened Families: Among drivers of personal vehicles using the most gasoline, many are low to moderate income. These Gasoline Superusers are spending a large portion of their household income on gasoline – in some cases upwards of 30%. Coltura calls these lower-income Gasoline Superuser families “Gasoline Burdened Families.” Many are using so much gasoline because they must – either they can’t afford to live near where they work, or they drive for their work.

Helping Gasoline Burdened Families switch to EVs would advance equity by alleviating the financial hardship, economic instability, and stress associated with fueling and maintaining their gas cars, while at the same time maximizing the climate benefits of EVs.

Proposal: Use funding to help Gasoline Superusers – especially Gasoline Burdened Families -- to switch to EVs

With demand for EVs now exceeding supply, there is no need to incentivize EV purchases merely to grow the market for EVs. The market is growing on its own. We need a greater focus on using incentives as a tool to maximize short- and medium-term emissions cuts by getting the biggest gasoline users to switch to EVs.

The state can easily identify those drivers using the most gasoline from odometer readings at vehicle registration, sales, and smog checks along with the MPG rating of the vehicle. With this data, the state should allocate funding to:

1. Incentivize jurisdictions prioritizing the transitioning of Gasoline Superusers to EVs and tracking gasoline displacement from EV-related investment

Funding should be used as a reward for those jurisdictions that focus on helping the biggest gasoline users switch to EVs – especially Gasoline Burdened Families.

Funding should also be awarded to jurisdictions that track how much gasoline is displaced by each EV. The Plan’s accounting assumes that every EV displaces gasoline equally. But in fact, EVs vary widely in how much gasoline they displace – it depends on how much gasoline the driver was using before they made the switch. We encourage you to incentivize jurisdictions to find ways to track and report the actual gasoline displacement effect of each EV. Or better yet, to update the Plan’s emission metrics to track gasoline displaced by each EV rather than assuming all EVs displace gasoline equally.

2. Install public fast charging where Gasoline Superusers can see and use it

Many Gasoline Superusers will be able to do most or all of their EV charging at home. For instance, a Superuser living in Los Banos commuting 80 miles each way to San Jose and living in a single-family home would be able to drive the full roundtrip commute in most EVs available today without having to charge. But for those who live in multi-unit dwellings, or who drive further than the range of an EV each day, public fast charging will be critical. Help these drivers have the confidence to switch to EVs by placing highly visible EV charging where they live, work and travel.

Additionally, incentivize Superusers – especially Gasoline Burdened Families -- to get EVs by offering them discounted or free public charging.

3. Target EV outreach and education to Gasoline Burdened Families

Funding for EV outreach/education/marketing should require identifying and targeting Gasoline Burdened Families – especially those who are BIPOC and/or rural. State vehicle records plus household income data and disadvantaged community maps would enable outreach efforts focused on those families who are using the most gasoline and suffering the biggest burdens. It would enable messaging tailored to the specific issues that an EV could solve that in a particular community. It could also address the barriers to EV adoption specific to the family and/or their community.

4. Improve EV financing and lending terms for Gasoline Burdened Families

Funding should also go to providing more favorable EV financing terms to Gasoline Burdened Families. Because these families use so much gasoline, they are already covering a large monthly cash flow on gasoline and maintenance. In many cases, drivers can come out ahead on monthly cost from Day One by redirecting this existing monthly spending to the purchase of an EV. (See example below.) And yet, most families perceive that EVs are not affordable. The state could help by providing funding to cover the cost of the down payment for Gasoline Burdened Families, or assuring them more favorable lending terms.

Superuser Monthly Cost Comparison



2014 Honda Civic



2023 Chevy Bolt EV

Monthly Fuel	\$475	\$193
Monthly Maintenance	\$412	\$193
Payment on \$21,000 Loan		\$396
Total Monthly Cost	\$887	\$782

Assumptions: 33,000 miles/year, Gas \$5.70/gallon, Electricity .25/kWh, Interest Rate 5%, Chevy Bolt Cost \$30,000, Civic Trade-In \$9,000, Civic Maintenance = 15 cents/mi. Bolt Maintenance = 6 cents/mi.



In sum, revising the Plan to focus on maximizing gasoline displacement and helping those families using the most gasoline who are also lower income would advance both climate and equity and would use the state's limited resources more effectively. We encourage CARB to lead this effort and model rapid light duty emissions cuts for the world.