



July 8, 2016

California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

Re: Comments in Response to the 2030 Target Scoping Plan Concept Paper

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

Thank you for this opportunity to comment on the 2030 Target Scoping Plan Concept Paper pending before the California Air Resources Board (ARB). BYD strongly supports the ideas outlined in the Scoping Plan. The comprehensive strategy laid out by the ARB provides a solid framework to continue California's role as a global leader in environmental stewardship.

BYD is an international manufacturer of zero emission light-duty and heavy-duty vehicles. BYD has chosen to locate its North American headquarters in Los Angeles and its manufacturing facilities in Lancaster because California is the epicenter for advancing a policy agenda that squarely tackles climate change and the dangers it poses for our future. BYD understands the challenges of decarbonizing the transportation sector and stands ready to do its part to support the trailblazing efforts outlined in the Scoping plan. With that in mind, BYD respectfully submits the following comments:

Extension of Cap and Trade Beyond 2020

California's cap-and-trade program has been a phenomenal success and must be extended. The Greenhouse Gas Reduction Fund (GGRF) has been used to provide seed money that has advanced clean technologies and, among other things, has led to initial deployments of zero emission electric vehicles in California transit agencies, ports and other hubs of transportation. Continuation of the cap-and-trade program and the GGRF funding source are critical to ensuring that California continues to provide the necessary market stimulation to ensure that clean zero emission technologies are adopted on a wider scale so that the state can dramatically reduce harmful air pollutants caused by the transportation sector.

Critical Concept Elements

BYD would like to highlight its support for certain critical elements found within the Scoping Plan. It should be noted that each of these elements is found in all four Concepts proposed in the Scoping Plan. The fact that the following policy goals are included across the board illustrates their importance in achieving California's stated GHG emission reduction targets in 2020, 2030, and 2050.



- SB 350
 - BYD strongly supports the **transportation electrification** (TE) provisions of the law. BYD encourages the state's transition to electricity as a fuel source and looks forward to working with other stakeholders, including utilities and transit agencies, to make the transition to TE smooth.
 - BYD also supports the **building energy efficiency goals** outlined in the law. As a manufacturer of LEDs, BYD understands the energy savings that can be gained from transitioning conventional light bulbs to LEDs. This type of minor behavioral change is low-hanging fruit, which can be easily leveraged to help achieve ambitious conservation goals.
- Increase in LCFS

The **Low Carbon Fuel Standard (LCFS)** is a powerful tool in the state's effort to reduce the amount of carbon found in the fuels powering vehicles across the state. LCFS also serves as a critical incentive for fleets that transition to low-carbon fuels, especially for those that use electricity as fuel. The pressure LCFS is under from producers of conventional fuels is no surprise and it must be ignored. BYD urges the ARB to stand in strong support of the LCFS program and is in support of even more ambitious carbon intensity reduction goals.
- Mobile Source Strategy
 - BYD supports the **Federal Medium and Heavy Duty GHG Phase Two** goal. It represents a great opportunity to promote intergovernmental collaboration as part of the effort to reduce harmful GHG emissions. BYD has expressed its support of the Federal EPA's more protective exhaust emission standards for on road heavy-duty trucks and engines.
 - The **Advanced Clean Transit (ACT)** rulemaking is an especially crucial element in achieving the state's GHG reduction goals. Heavy-duty transit buses emit a significant portion of the state's GHGs. The ACT rule will cut off this source of emissions by ensuring that, by 2030, each new bus purchase will be a zero-emission bus. As demonstrated by the recent Zero Emission Truck and Bus Pilot Commercial Deployment solicitation, there is significant demand for zero-emission transit buses. The solicitation drew more than \$290 million in requested funds for approximately \$83 million in funding—an oversubscription ratio of over 3:1. This demand was very clearly driven by the discussion document regarding the plan for the ACT. While agencies are interested in electric buses, BYD believes much of this demand was driven by the looming ACT regulation. It's also important to note that implementation of this rule will not just reduce GHGs—it will provide substantial health benefits to the disadvantaged populations that make up a significant portion of transit riders in the state, as they will no longer have to breathe noxious fumes and particulate matter emitted from bus tailpipes. The battery electric bus manufacturing industry will easily be able to meet the transformative goals of the ACT rule in a manner that is cost effective for transit and meets the demands of any route in the state.



- BYD also wishes to express its support for the **Last Mile Delivery** goal. The rise of e-commerce and its associated logistical infrastructure will likely see a related rise in GHG emissions. The Last Mile Delivery goal recognizes this issue and works to get ahead of it. For its part, BYD is currently working with companies like UPS to transition their fleets to zero-emission vehicles.

- *Draft California Sustainable Freight Action Plan*
Battery electric freight vehicles are rapidly developing and will soon be fully commercialized in California. BYD strongly backs the goal of deploying over 100,000 freight vehicles capable of zero emission operation. As a manufacturer of battery electric trucks with significant deployments abroad and the beginnings of deployments in California, BYD is confident that the zero-emission heavy-duty industry will be able to help the state meet its air quality goals. BYD currently offers five models of zero-emission trucks in the U.S. market. These include various models of Class 5, 6, and 8 trucks that can be used for urban delivery and goods movement, bringing sustainability to freight transportations systems.

BYD thanks the ARB Board Members and staff for their efforts in developing this Scoping Plan as well as for the opportunity to provide comments. We look forward to the opportunity to discuss these concepts with you in more detail soon. For questions or more information, please contact Mark Weideman at mark@weidemangroup.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stella Li", is positioned above the printed name.

Stella Li