

Chair Liane Randolph and California Air Resources Board Members California Air Resources Board 1011 I Street Sacramento, CA 95814

RE: Comments on Advanced Clean Cars II

Dear Chair Randolph and members of the California Air Resources Board,

On behalf of California Environmental Voters (formerly, the California League of Conservation Voters), I am submitting these comments in response to the California Air Resources Board's (CARB) release of the Initial Statement of Reasons (ISOR) for the Advanced Clean Cars II (ACC II) regulation. We thank ARB for their efforts in the development of the ACC II regulation and for the opportunity to provide public comments.

California Environmental Voters proudly represents over 120,000 members, with a mission to protect and enhance the environment and the health of all California communities by electing environmental champions, advancing critical priorities, holding policy makers accountable, building political power to transform our political system and achieve climate justice.

The Advanced Clean Cars II regulation is one of the most impactful steps California will take in the coming years to accelerate the transition from combustion vehicles to pollution-free ones. We applaud Governor Newsom and CARB's leadership in charting a path for all new passenger vehicles sold in California to be zero-emission by 2035.

The transportation sector accounts for about 50 percent of the state's greenhouse gas emissions, nearly 80 percent of nitrogen oxide pollution, and 95 percent of toxic diesel emissions. GHG emissions from passenger vehicles make up 70 percent of transportation emissions. Millions of Californians, including a disproportionate number who live in low-income and disadvantaged communities, continue to suffer daily from exposure to dirty air and the harmful impacts of climate change. Because of the growing demands of the climate crisis and the urgency to improve the air for all residents, we are asking the Air Resources Board to strengthen and improve two elements of the draft ACC II rule prior to the expected final vote later this summer.

More Stringent MY 2026 and MY 2030 ZEV Sales Targets

We support the Advanced Clean Cars II rule's overall goal to achieve 100% ZEV sales in California by 2035, one that is aligned with Governor Newsom's Executive Order N-79-20.

However, we believe that the proposed ramp up during the first five years of the regulation is not sufficient to maximize the benefits of early ZEV deployments. The proposed starting sales requirement of 35% in 2026 falls short of the over 40% target that was identified as necessary to meet urgent air pollution and greenhouse gas emissions targets in CARB's own Mobile Source Strategy. With new cars and trucks now lasting an average of 12 years, vehicles sold during this decade will remain on the road in 2040 and beyond. More stringent starting sales targets from MY 2026 to MY 2030 will reduce the number of new gasoline vehicles as soon as possible.

An accelerated ramp up of the sales targets aligns with California's consumers growing interest in ZEVs. According to a 2021 Consumer Reports study that was cited in the draft ACC II rule, 74-percent of the state's drivers report having at least some interest in the electric vehicle market, and 40-percent considering going electric for their "next vehicle." This interest is reflected in growing sales, with new vehicle market share of electric drive vehicles in 2021 jumping to 12.4-percent from 7.8-percent just the year prior in California. In addition to the many environmental benefits, the interest in the electric vehicle market is expected to continue to grow as more drivers look to be unburdened from the volatility of oil prices. There is ample consumer support and demand to merit a higher ZEV sales target beginning in 2026.

Another benefit of an accelerated ZEV sales target is that it would send a strong and clear signal to automakers to increase investments in research and development and production. In recent years, we have seen many leading automakers react to stronger clean vehicle standards in Europe by increasing their investments to an all-electric future. California, the world's fifth largest economy, and whose advanced clean cars program has been adopted in part or whole by 14 states, could have a similar positive impact on automakers by adopting an accelerated ZEV sales targets during the first five years of ACCII. More commitment and investments from automakers would mean more technological innovations and better options for consumers, both in terms of choices and pricing.

Increased sales targets during the first five years of ACC II would support and expedite the existence of a more substantial secondary ZEV market. Disadvantaged communities, which represent about 25% of California's population, would benefit most from a mass move to electrified transportation, for the numerous health and economic benefits. Although the prices for ZEV models are expected to continue to decrease because of improved technology and increased demand and supply, the cost of a new ZEV remains beyond the financial means of many Californians, especially those who live in and near disadvantaged communities. A robust secondary ZEV market would allow more Californians to experience and enjoy the benefits of electric vehicles.

Because of the aforementioned reasons, we urge CARB to adopt an accelerated ramp up of ZEV sales targets during the first five years of the ACC II regulation as it is currently proposed. We believe a start point of no less than 40% for MY 2026 and a target of no less than 75% in MY 2030 is an appropriate and achievable start point for the ACC II regulation, one that would allow more Californians to sooner realize the enormous benefits of ZEVs.

Strengthen Equity Provisions

Disadvantaged communities and communities of color bear a disproportionate and unfair burden of fuel costs and the most harmful impacts of pollution. Ensuring automakers increase their production of ZEVs and making them accessible to frontline communities is an essential step towards achieving environmental justice. We are pleased that there are well-intended equity provisions in the draft ACCII rule that aim to get pollution-free cars into communities where they are most needed.

However, we are concerned that the equity provisions in the proposed rule are voluntary and may never actually be utilized by most automakers. The proposal relies on a structure in which manufacturer participation is both voluntary and incented only by decreasing their ZEV sales obligation through a credit system, which will not guarantee the provision of clean vehicles and the emission reductions that they bring about to communities historically overburdened with transportation pollution.

We ask that CARB strengthens the voluntary, incentive driven equity provisions in the proposed rule with more assured and enforceable commitments from automakers to improve disadvantaged communities and residents' access to pollution-free vehicles. Disadvantaged communities, especially low-income communities of color, have been disproportionately impacted and have suffered from adverse impacts of fossil fuel operations, including tailpipe emissions, for far too long. Stronger equity provisions in ACC II would pave the way for households and families that live in disadvantaged communities to access and benefit from pollution-free vehicles in a more assured way.

The gravity of the climate crisis and the obligation to improve the air for all means that this is the time to double down on an accelerated and just transition from combustion vehicles to an allelectric future. California Environmental Voters looks forward to the adoption of a robust and equitable ACC II rule so that all Californians can prosper from the environmental, health and economic benefits that zero-emission vehicles provide.

Respectfully submitted,

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