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November 5, 2015

Mary Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Draft Cap & Trade Auction Proceeds Second Investment Plan 2016-17—2018-19

Dear Chairman Nichols:

On behalf of the Center for Transportation and the Environment (CTE), I am writing to express CTE's support for the draft Cap-and-Trade Auction Proceeds Second Investment Plan, and urge CARB to adopt a clarifying change with respect to the deployment of advanced vehicle technologies.

CTE is a member-based non-profit organization that fosters a collaborative process to advance clean sustainable transportation and energy technologies. Our members include a coalition of industry leaders working toward the commercialization of zero emission transit buses and trucks. We represent vehicle manufacturers, technology companies, fuel cell manufacturers, energy suppliers, research centers, universities, transit agencies, and non-profit organizations.

CTE strongly supports the recommendation to continue investing cap & trade proceeds into furthering the development of advanced vehicles technologies. Continuing this investment will enable the supply chains to mature as greater volumes of zero emission trucks and buses are produced. CTE does urge CARB to make a clarifying change. While the listed concepts for advanced vehicle technologies (Figure 12) specify "deployment of zero emission" heavy-duty trucks, it is equally important for the bullet for passenger vehicles and transit buses to state, "*adoption, utilization, and deployment of clean, zero and near-zero emission passenger vehicles and transit buses.*" The use of zero emission passenger vehicles is growing, but there will be a need to expand the deployment of zero emission transit buses.

CTE is taking the lead on developing in California a pre-commercial program that aims to bridge the last gap in reaching commercialization of zero emission transit buses. CTE is also organizing an effort advancing the development of zero emission drayage trucks and port material handling equipment. The funding commitment made in the existing investment plan has engaged, for the first time, the active involvement of major original equipment manufacturers of buses, heavy duty trucks, and material handling equipment. The current and pending solicitations for zero emission trucks and buses will play critical role in the commercialization of zero emission technologies, as well as the development of the supply chains to make these technologies commercially viable.

CTE is aware of the numerous competing demands for cap & trade proceeds, and commends you and CARB staff on developing an investment plan that balances these interests with a strategic investment plan that will achieve the State's GHG reduction goals. On behalf of CTE members, thank you for your favorable consideration of our comments.

Sincerely,

Sincerely,



Dan Raudebaugh
Executive Director



Jaimie Levin
Director of West Coast Office