



May 28, 2020

California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Re: WSPA Comments on CARB's 30-Day Package for Proposed Advanced Clean Truck Rule

Western States Petroleum Association (WSPA) is a trade association that proudly represents companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas, and other energy supplies in California and four other western states. Currently 152,000 men and women have careers in the oil and gas industry in California and 366,000 people have careers whose jobs depend on the industry. The industry in California contributes \$152 billion every year in economic activity and directly contributes \$21.6 billion in local, state, and federal tax revenue to support schools, roads, public safety and other vital services.

We appreciate the opportunity to comment on the 30-day package for California Air Resources Board's (CARB) proposed Advanced Clean Truck Rule (ACT). The proposed modifications to the proposed rule, among other things, increase the sales requirement of ZEVs sold by manufacturers in California. Staff has proposed to increase the percentage of ZEV sales in California across all vehicle groups from 2024 to 2030 and to increase the percentage requirements from 2030 to 2035 rather than keeping them constant during that period. We share our feedback below.

### **Proposed Rule Discourages Development of Alternate Technology Solution Options**

WSPA is concerned that CARB has set a technology mandate as opposed to an emissions-based standard which we note is how CARB has regulated fleets in the past. Regulations that mandate specific technologies (especially ones with requirements that extend 15 years into the future) serve to limit potential solutions at a time when all options need to be on the table. Only allowing two technologies to compete in addressing the challenges facing the state will disincentivize the development of alternative technology options that could more cost-effectively meet the emission reduction goals. The proposed rule package sends the wrong signal to the market, discouraging competition from other technologies that could have a more significant impact on emissions in the nearer term.

WSPA supports regulations that are technology neutral and believes that manufacturers should be incentivized to meet the needs of the state with any viable technology – not just one or two specific technologies. Lower emission diesel, renewable diesel and bio-diesel, natural gas, hybrid powertrains and especially renewable natural gas vehicles (as this option can achieve significant reductions in both NOx and GHGs now, often at costs lower than the two options proposed in this regulation) should be able to compete on an equal footing with the goal of achieving the targeted NOx and GHG emission reductions.

**Recommendation:** From a policy perspective, we would encourage CARB to develop a manufacturer rule that is technology neutral. To be more specific, WSPA believes this rule (and any future fleet rule) should set the emissions target and allow any technology to meet it instead of specifying that only electric and hydrogen vehicles can be used for compliance.

### **Development of Target for Proposed ACT Rule Lacks Analytical Rigor**

The development of a recommended target should be based on detailed analysis that investigates a range of target options and illuminates the feasibility of achieving those requirements as well as the costs/benefits associated with each. Such analysis would have provided critical information and would have been a more analytically rigorous means of developing a proposed target. The updated analysis for the proposed amendments only analyzes the proposed changes versus the original proposal and does not present a range of options between the two. If there is a desire to increase the stringency of the rule, CARB should provide analysis to the public that demonstrates why it has chosen one target over a range of others.

Additionally, the analysis that informs this rule should have included an all the above approach instead of picking just two options – hydrogen and electric – effectively stacking the deck against other technologies. CARB should analyze the potential to utilize other technologies to meet the goals of the state instead of deciding that the only options are electric and hydrogen vehicles. Without this consideration, it is unclear if CARB has chosen an approach that most cost effectively and efficiently meets the goals of this regulation. Any solution that is implemented needs to also be validated as scalable to ensure the intended air quality and GHG goals are met. While there may be signs that electric and hydrogen vehicle technology are progressing in this space, CARB has not presented an analysis as to whether those can be scaled to the levels required by this regulation at cost compared with other technologies.

This is especially important given the complex timing of trying to achieve all the various goals the state is trying to achieve with this policy. Specifically, it is unclear from CARB's analysis whether the shorter-term air quality goals could be met utilizing currently existing low and ultra-low NOx technologies in a much more cost-effective manner than the approach currently proposed by CARB.

**Recommendation:** WSPA recommends that CARB undertake the analysis recommended above prior to finalizing this proposal.

### **Baseline Inventory Does Not Discuss Benefits Captured in Existing Regulations**

It is unclear if CARB has addressed the potential for double counting of NOx and PM2.5 emission reductions between the ACT rule and LCFS. The ACT baseline emission inventory relies on forecasted emissions from EMFAC2017. EMFAC2017's fuel mix includes a 2016 baseline and weaves in existing policies to forecast what future emissions would be without the ACT rule. One upgrade made to EMFAC2017 (which the 2014 version fell short on) is a method to account for GHG reductions using CARB's official method which is especially important given the state's fuel regulations.

This was an important change to EMFAC2017. That same accounting should be done for NOx and PM2.5. During the 2018 LCFS rulemaking, CARB discussed, in its 2nd 15-day Att H Air Quality Chapter, the tailpipe emission reductions expected with the same compliance scenario used in the ACT into 2030. These tailpipe reductions were then cited, along with other reductions, as benefits of the LCFS amendments.

**Recommendation:** If CARB has not considered the quantities of NOX and PM2.5 emission reductions claimed by the LCFS through 2030, we recommend that staff address this gap in its inventory baseline for the ACT rule.

## Conclusion

Thank you for consideration of our comments. We would welcome the opportunity to discuss these ideas in more detail with you. If you have any immediate questions, please feel free to contact me at [troberts@wspa.org](mailto:troberts@wspa.org). We look forward to working with you on these important issue areas.

Sincerely,

A handwritten signature in blue ink that reads "Tiffany Roberts". The signature is fluid and cursive, with the first name and last name clearly legible.

Tiffany Roberts,  
Director, Regulatory and Legislative Policy  
Western States Petroleum Association