



May 31, 2022

Liane Randolph, Chair California Air Resources Board 1001 "I" Street Sacramento, CA 95814

## Re: Business Support for an Ambitious Advanced Clean Cars II Program

Dear Chair Randolph & Members of the Board,

On behalf of E2 (Environmental Entrepreneurs) and our more than 11,000 members and supporters nationwide, including more than 2,500 in California, I write to express business support for the adoption of strong and effective Advanced Clean Cars II (ACC2) standards that ensure 100% zeroemission vehicle (ZEV) sales by 2035. To fully capture the economic development opportunity presented by the state's robust clean energy economy – and job creation in California's burgeoning ZEV manufacturing economy - I urge the California Air Resources Board to adopt an ambitious ACC2 rule with stronger midterm targets by increasing the stringency of the rule to at least 75% ZEV sales by 2030.

E2 is a national, non-partisan network of business leaders, investors and other professionals who advocate for smart policies that are good for the economy and good for the environment. Our members have founded or funded more than 2,500 companies, created more than 600,000 jobs and collectively manage more than \$100 billion in venture and private equity capital.

California has developed into a global hub of clean vehicle innovation and development, including a robust electric vehicle and battery manufacturing center. This global leadership – and the associated job creation and in-state investment – is the product of innovative clean energy economy policies that continue to pay dividends for California's economy. Specifically, the market signals provided by the original ACC rule have been instrumental in advancing this home-grown industry.

In 2020, electric vehicles were the state's most valuable export, <u>producing over \$5.6 billion in</u> <u>revenue</u> and overtaking California's aerospace industry for the first time. As an established center of the clean energy economy, there is a strong base of nearly <u>485,000 clean energy workers</u>, <u>with</u> <u>42,000 employed in clean vehicle jobs</u>. Notably, these clean vehicle jobs do not capture employment within the burgeoning electric vehicle (EV) charging infrastructure industry, which is a powerful job creator. The average wage in California's EV ecosystem is <u>33% higher</u> than the state's average wage, which speaks to the success and quality of jobs in this space.

ZEVs are also less expensive to service, maintain, and fuel over the lifetime of the vehicle, providing significant long-term cost savings to California drivers. And of critical importance, widespread adoption of ZEVs will provide major public health benefits. Harmful, local air pollution caused by internal combustion engines poses a significant risk to public health and therefore considerable economic costs in the form of additional hospital visits and healthcare expenses, decreased work productivity, and missed workdays. In fact, a robust economy is predicated on a healthy workforce and a healthy consumer population. And because many of California's most disadvantaged

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communities live near major transportation corridors, a transition to ZEVs will have strong equity benefits, driving public health benefits directly for these communities.

By adopting strong ACC2 standards, California policymaker have the opportunity create the market structures needed to drive innovation and maximize job growth to fully advance the state's standing as a manufacturing and business nexus in the global transition to EVs. To maximize the economic development opportunity, policymakers should adopt an ambitious ACC2 rule with stronger midterm targets that drives more ZEV sales by increasing the stringency of the rule to 75% ZEV sales by 2030.

ZEV technology is evolving rapidly; sending a clear policy signal that aligns with the dynamism of the ZEV industry and with the state's zero-emission targets is necessary and attainable. California can remain at the forefront by pursuing ambitious policies to fully unlock the potential growth of a robust ZEV industry and decarbonize the transportation sector. A strong ACC2 rule will help cement California's zero-emission vehicle and charging infrastructure industries' global leadership and maximize in-state investment and employment of Californians in this burgeoning 21<sup>st</sup> century economy.

Thank you for your continued leadership on this important issue.

Sincerely,

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