



Oregon

Kate Brown, Governor

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California Air Resources Board
1001 I St.
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Leah Feldon
17-3-8

Re: SUPPORT– Mid-Term Review Recommendations to Retain Existing LEV and ZEV Rules

On behalf of Oregon Department of Environmental Quality I want to commend auto manufacturers for the impressive progress they have made toward meeting future greenhouse gas and Zero Emission Vehicle requirements. Since the 2012 adoption of the LEV III and the current ZEV regulations we have seen a significant success in manufacturers' ability to meet greenhouse gas emission controls and dramatic advances in the range and affordability of emission-free vehicles.

We also recognize the substantial effort the California Air Resources Board devoted to this extensive Mid Term Review. We admire the breadth and depth of this study and agree with staff recommendations that it is appropriate to retain current requirements for 2022 to 2025 model year vehicles.

New challenges to the federal greenhouse gas emission limits underscore the importance of states being able to implement feasible measures to address global warming. The existing regulations for 2022 to 2025 also allow our state and country to retain more of the money we spend on transportation fuel within our borders. A large percentage of our petroleum is still imported causing money spent on traditional fuels to drain away to other nations. The increased efficiency of vehicles meeting the 2022 to 2025 fleet average emission limits not only reduces a major source of greenhouse gas emissions but also lets money saved on petroleum circulate longer in our economy which multiplies that financial benefit.

While we agree with the Mid Term Review finding that Zero Emission Vehicles are not essential to meeting greenhouse gas emission limits through 2025, ZEVs are essential to meeting Oregon's long term greenhouse gas emission targets for 2050. Electric vehicles are inherently more efficient than internal combustion vehicles which discard more than 70 percent of their fuels' potential energy as waste heat. This efficiency directly reduces the emissions of Oregon's EVs compared to conventional vehicles but also enables our electric utilities to integrate greater amounts of renewable energy into the grid. EVs have a significant amount of flexibility in when they can recharge their batteries. That allows utilities to use incentives to encourage charging at times when renewable energy is plentiful and thereby capture clean energy that might otherwise go to waste. Large numbers of EVs make it possible to integrate much more wind and solar power than would be possible without the flexible energy sponge that EVs provide.

Such management of electrical demand has the potential to improve grid efficiency while producing downward pressure on electrical rates for all rate payers. Oregon utilities have proposed pilot projects to investigate how this and other benefits might be most effectively achieved. ZEVs also play an important role in our Clean Fuels Program by generating low carbon fuel credits which can be marketed to other fuel providers allowing the average carbon intensity of all transportation fuels to be reduced in the most cost effective manner. ZEVs have the additional advantage producing no tailpipe pollutants such as ozone precursors or hazardous air pollutants such as benzene, acrolein or formaldehyde. Taken together these related measures create synergistic benefits some call a ZEV Ecosystem.

Preserving strong ZEV requirements both in California and in the section 177 states supports regulatory predictability and reduces the risk of manufacturers being saddled with stranded assets. Relaxation of the LEV III or ZEV rules would reward manufacturers who made the least effort to prepare for future requirements and put those manufacturers who made the greatest effort to develop compelling low emission products at a relative disadvantage.

We agree with ARB staff that the impressive progress made by the auto industry raises the question whether the requirements for 2022 should be strengthened in light of the imminent need to aggressively address global warming. We agree with ARB staff regarding the importance of regulatory certainty and conclude it is appropriate to continue the current requirements unchanged. However, the need remains for greater numbers of ZEVs and vehicles with even lower fleet-average greenhouse gas emissions. Therefore, we urge you to continue your pioneering work by developing strong new standards for the period following 2025 to provide a more secure future for ourselves and our descendants.

Respectfully submitted,



Leah K. Feldon
Deputy Director, Oregon Department
of Environmental Quality