



March 14, 2022

Chair Liane M. Randolph
Executive Officer Richard Corey
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

BY ELECTRONIC TRANSMISSION

RE: Light Duty Fuel Cell Market Development in California

Dear Chair Randolph and Executive Officer Corey:

We are three of the largest automakers in California, representing more than 40% of the market in the state. Each of us is working to accelerate the transition to electrification of the passenger car and truck market and are pursuing a portfolio approach to Zero Emission Vehicles (ZEVs) that includes both battery electric and fuel cell electric vehicles.

We submit these comments to raise for you and the Board a significant concern about the proposed removal of a provision in the ZEV program that provides a critical incentive for automakers, like us, who agree with CARB that fuel cell electric vehicles (FCEVs) are essential for meeting California's climate and air quality goals. The so-called "Travel Provision" allows automakers to receive credits for FCEVs placed in California to count toward compliance in other states that do not yet have the hydrogen infrastructure in place that is necessary before FCEVs can be sold in those states.

Our companies have been working diligently to ensure the continued development of a robust network of hydrogen stations in California. We are working to invest in and support infrastructure development directly, and are collaborating with fuel providers including First Element, Air Liquide, Shell, and Chevron to supplement the state's investments and funding. We have also supported the greater recognition of renewable hydrogen in your Low Carbon Fuel Standard. All three of our companies are also investigating heavy-duty fuel cell trucks, applications whose success will depend upon cost reductions achieved in the light duty FCEV space.

In addition, we have been working directly with several of the states who have adopted the ZEV Program to remove barriers to fuel cell sales (such as the continued prohibition of FCEVs in certain tunnels and bridges in the Northeast) and to lay the groundwork for light duty hydrogen

infrastructure in those states. Although we expect continued progress in these efforts, the fact remains the vast majority of these states have not made the investments and policy changes necessary to prepare for the hydrogen fuel cell market. FCEVs are an integral technology pathway in the ZEV regulation, but one we are challenged to sell given this situation.

In their October 13th workshop, CARB staff shared their scenario in which ultimately 17% of ZEV are FCEVs by 2035. We agree with the assumption that FCEVs for passenger cars and trucks are essential to achieve California's climate goals by providing a ZEV option not just for the majority of Californians without access to charging at home, but to the millions of Californians who need the fast refueling that we expect FCEVs will be best positioned to provide for the foreseeable future.

We urge CARB to maintain the Travel Provision with the following limitations:

- Sunset after 2030
- Cap usage to 10% of an OEM requirement
- Phase out proportionally as infrastructure in S177 states catches up to the California baseline of hydrogen readiness

We believe this is a proposal that will lead to only a limited impact on mandated ZEV volumes in other states. For example, using AB 8 projections as a proxy, we estimate that extending the Travel Provision would result in less than a 1.5% impact in 2026MY on total ZEV requirements in those states. Since the current staff proposal calls for an 8% per annum increase, we believe this would have only a marginal impact in those states, but an outsized impact in helping continue to grow the FCEV market in California and continuing the development of the technology that will be essential to expansion of FCEV across the United States.

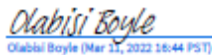
Sincerely,

American Honda Motor Co.



Jenny Gilger
Vice President
Product Regulatory Office

Hyundai Motor America


Olabisi Boyle (Mar 11, 2022 16:44 PST)

Mar 11, 2022

Olabisi Boyle
Vice President
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Tom Stricker,
Group Vice President
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