



November 14, 2022

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

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Xos, Inc.
3550 Tyburn St.
Los Angeles, CA 90065
www.xostrucks.com

Re: Proposed Fiscal Year 2022-23 Funding for Clean Transportation Incentives

Dear Chairman Randolph and Members of the Board:

Xos, Inc. appreciates the opportunity to provide comments on the proposed Fiscal Year 2022-23 Funding Plan for Clean Transportation Incentives (Funding Plan).

Xos is a Los Angeles-based technology company, fleet services provider, and manufacturer of 100% battery-electric commercial vehicles. Xos is focused on developing and manufacturing electric trucks and fleet services for the commercial sector where zero-emission offerings haven't existed and have the greatest potential to improve air quality in frontline communities. Since 2018, Xos has deployed nearly 400 of its 100% battery-electric vehicles with leading fleets such as FedEx Ground Operators, UPS, and Amazon, and its Tennessee plant is capable of producing up to 2,000 vehicles per year.

Governor Newsom's Executive Order N-79-20 and innovation and public health policies, including the Truck and Bus Rule and the proposed Advanced Clean Fleets Rule, are poised to drive rapid transition of drayage trucks and other medium and heavy-duty trucks in communities, transportation corridors, ports, and rail yards across the state to zero-emissions technologies. This shift will yield significant public health, energy security, and economic development benefits.

To meet the state's greenhouse gas reduction targets and the aggressive goals of these policies, financial incentives need to be aligned to ensure that fleet operators and businesses required to comply can make this transition as seamlessly and as quickly as possible, while preserving their livelihoods and ability to serve

transportation needs across the state. The current allocation of \$75M in funding for zero-emission drayage trucks falls significantly short of what's needed to replace existing fleets by the state's 2035 targets. Requests for incentives in 2022 already outpace the proposed allocation and will further accelerate to meet requirements that will come into effect beginning 2024. Our partners at Forum Mobility estimate that 2750 zero-emission vehicles need to be added each year over the next 12 years to replace the existing drayage fleet. Thus, we recommend a significant increase to reach a total of \$400M in funding in the Plan to support the pace of transition to meet the targets.

In addition, we recommend that CARB increase funding for programs that support small fleet operators who lack access to capital and do not have the balance sheets to support purchase of new trucks. Expanding the Innovative Small eFleets (ISEF) Program or creating drayage set-asides for these fleets in funding programs would help these small fleet operators to transition on faster timelines and remain competitive in the industry.

I welcome the opportunity to have a discussion around this matter at your earliest convenience and appreciate the opportunity to provide input on this important program. On behalf of Xos, I look forward to working together to drive forward to a zero-emissions future.

Sincerely,

Dakota Semler
Chief Executive Officer and Co-Founder
Xos, Inc.
3550 Tyburn St.
Los Angeles, CA 90065