

July 28, 2022

Chair Randolph and Members of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: 15-Day Notice on Proposed Modifications to the Advanced Clean Cars II Regulation

Chair Randolph and Members of the Board,

Advanced Energy Economy (AEE) appreciates the opportunity to submit comments in response to the California Air Resources Board's (CARB) notice proposing modifications to the draft Advanced Clean Cars II (ACC II) regulations. AEE is a national business association representing over 100 companies across the advanced energy sector, including electric vehicle (EV) manufacturers, EV charging hardware and software providers, aggregators, and other companies engaged in supporting transportation electrification. Through this lens, AEE supports several of the proposed changes to the draft regulations that support successful implementation of ACC II, but recommends CARB consider the impacts of some of its modifications. Above all, AEE respectfully requests the CARB expediently approve the strongest possible ACC II regulations that efficiently and equitably enable California to achieve 100% light-duty zero-emission vehicle (ZEV) sales.

i. Medium-duty ZEVs

AEE appreciates CARB's proposed modification to preserve flexibility for medium-duty ZEVs to be credited under either ACC II or the Advanced Clean Truck (ACT) regulation. As CARB notes, several new EVs that may have been traditionally classified as light-duty vehicles may instead be categorized as medium-duty. Given that Section 177 states may not adopt ACT in a timely manner, it is critical that ACC II provide a pathway to credit medium-duty passenger vehicles. This provision will provide greater regulatory certainty that the vehicles automakers produce will be accounted for in one of CARB's ZEV programs.

ii. ZEV Durability Requirements

AEE supports CARB's modification of ZEV battery durability requirements in a manner that considers existing manufacturer commitments to battery design and production. At the same time, AEE appreciates CARB intent to adopt and enforce more stringent battery durability standards in future model years.

iii. Environmental Justice Values

The proposed ACC II regulation appropriately seeks to increase equity and expand access to the benefits of light-duty ZEVs to all Californians. AEE appreciates CARB's proposed modification to further encourage vehicle manufacturer use of environmental justice (EJ) values by linking them to manufacturers' cumulative allowances. However, because this additional focus on EJ values is a voluntary component of the ACC II regulation, it is unclear what effect this new provision will have on CARB's community-based clean mobility programs. AEE recommends that CARB work closely with EJ organizations to monitor the use of EJ values and transparently report how EJ credits are supporting clean mobility programs.

iv. Fuel Cell Electric Vehicle Values

AEE expresses concern that the continuation of proportional credits for fuel cell electric vehicles (FCEVs) in ACC II will dilute the regulation's ability to spur greater ZEV adoption. By enabling manufacturers to achieve compliance in other Section 177 states through the sale of FCEVs in California, the proposed provision unduly eases program compliance by effectively double-counting vehicles, potentially reduces market opportunities for manufacturers to sell more cost-competitive ZEVs, and fails to alleviate air quality and equity issues in other states. Additionally, as CARB notes, retail hydrogen fueling infrastructure availability is extremely limited in other regions and remains challenging to finance and deploy. While FCEVs have a role to play in achieving broader transportation sector decarbonization goals, AEE respectfully requests the Commission reconsider the value of enabling proportional credits for FCEVs and establish a technology-neutral approach for ZEV crediting mechanisms.

AEE appreciates several modifications that CARB has proposed in its ACC II update and the effort it has made to develop next-generation clean car standards. To establish regulatory certainty for the industry, support the achievement of California's statutory emission reduction goals, and continue to lead the country on clean transportation, AEE urges CARB to swiftly finalize and adopt a modified ACC II regulation. We look forward to supporting California's accelerated path toward a zero-emission transportation future.

Respectfully submitted,

/s/ Noah Garcia

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