



February 19, 2019

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Concerns with Proposed Alternative Certification Requirements and Test Procedures for Heavy-Duty Electric and Fuel-Cell Vehicles and Proposed Standards and Test Procedures for Zero-Emission Powertrains Rulemaking

The signatories to this letter, hereafter referred to as the Coalition, appreciate the opportunity to provide feedback to the California Air Resources Board (CARB) on the Proposed Alternative Certification Requirements and Test Procedures for Heavy-Duty Electric and Fuel-Cell Vehicles and Proposed Standards and Test Procedures for Zero-Emission Powertrains Rulemaking. The Coalition is concerned that these proposed regulations will slow the roll-out of zero-emission medium- and heavy-duty vehicles at a time when the state must help accelerate the transition to zero-emission vehicles.

Given the urgent need to reduce greenhouse-gas and criteria-pollutant emissions from medium- and heavy-duty transportation, we are supportive of CARB's many efforts to advance and accelerate zero-emission medium- and heavy-duty transportation technologies. Continued and increased deployment of zero-emission medium- and heavy-duty vehicle technologies is essential to reach our air quality, climate, environmental justice, economic, and zero-emission vehicle (ZEV) objectives.

Transitioning the medium- and heavy-duty sectors to zero-emission technologies is and will continue to be a difficult task, requiring appropriate incentives and policies. The Coalition recognizes the important role that consumer confidence plays in purchasing decisions for medium- and heavy-duty vehicles and the intent of the proposed regulations to help mitigate this concern. However, we have concerns with how the proposed regulations may affect the zero-emission medium- and heavy-duty market. These concerns include: market growth impacts, potential cost increases, the stringency of the recall provisions, and assurance regarding the voluntary certification timeline.

I. Market Growth and Cost Impact

Specifically, the Coalition is concerned that the proposed regulations will add complexity and cost to the manufacturing of medium- and heavy-duty ZEVs, and therefore to the upfront cost of ZEVs, at a time when the state must drastically ramp up both the manufacturing and purchase of these vehicles. The proposed regulations would require many significant changes to current engineering, manufacturing, warranty, recall, documentation, and reporting practices, which would add considerable staff time and resources for manufacturers, and would add increased costs for fleets. Furthermore, these regulations will result in longer product-release timelines and even more expensive ZEVs, when currently these technologies are already more expensive than similar internal-combustion-engine vehicles.

II. Recall Requirement Stringency

Additionally, the mandatory recall-triggering requirements for zero-emission powertrain components are stringent, especially as compared to the emissions-recall requirements for heavy-duty internal-combustion-engine components that cause a violation of emissions standards.¹ The Coalition finds these requirements problematic, as a failure triggering recall of a zero-emission-powertrain component is not the same as a violation of emissions or safety standards. Recalling an entire line of vehicles for the failure of a component in a small number of vehicles may cause immense costs, which will be passed on to the fleets in the form of upfront vehicle purchase price. We urge CARB to re-evaluate the appropriateness of these current draft provisions, given that zero-emission vehicles inherently produce no tailpipe emissions and given that there are warranty provisions in the proposal to ensure that vehicle manufacturers appropriately respond to and fix any zero-emission powertrain component failures that arise.

Consumer confidence can be achieved without triggering stringent recall requirements that could harm market-growth potential. The current warranty provisions in the proposed regulations, among other items, are one mechanism for ensuring consumer confidence is achieved.

¹ Proposed Alternative Certification Requirements and Test Procedures for Heavy-Duty Electric and Fuel-Cell Vehicles and Proposed Standards and Test Procedures for Zero-Emission Powertrains, Appendix D, Part II: Heavy-Duty Zero-Emission Powertrain Warranty and Recall Requirements, Sections L-AB [Section X states “A zero-emission powertrain in a certification family is subject to recall at the following failure levels: **4 percent or 25 (whichever is greater)** for 2021 and subsequent model-year zero-emission powertrains.”]. Compare to current heavy-duty engine recall requirements for emissions failures of **4 percent or 50 (whichever is greater)**. California Code of Regulations, Title 13, § 2143 [“Vehicles or engines...are subject to recall at the following failure levels: ...2 percent or 50 (whichever is greater) for 1994 and subsequent model-year vehicles or engines. The Executive Officer may extend the applicability of the 4 or 3 percent failure levels ...”]. See also presentation titled “Emission Warranty Information Reporting (EWIR) Amendments for Manufacturers of Heavy-Duty Engines,” presented at January 23, 2019 Heavy-Duty Low NOx Omnibus Program Workshop EWIR Amendments by Emissions Compliance, Automotive Regulations and Science Division, slide 5 [which notes that ARB implements this recall rate at 4 percent or 50 (whichever is greater)], available at https://www.arb.ca.gov/msprog/hdlownox/files/workgroup_20190123/05-EWIR_WS01232019.pdf.

III. Voluntary Certification Timeline

The Coalition urges CARB to ensure that the proposed regulations, once revised, remain voluntary for an adequate amount of time to ensure they are workable and not disruptive to the market. Although the proposed regulations are drafted as voluntary, it is CARB's intent to tie the regulations to rulemakings and funding programs, such as currently proposed in the Zero-Emission Airport Shuttle Rulemaking. Keeping certification optional will allow for manufacturers, fleets, stakeholders, and CARB staff to work together to implement the certification process and refine the regulations to ensure they are not disrupting the market and are workable.

The emissions from internal-combustion-engine vehicles have been regulated for a relatively long period, which has allowed for manufacturers, other stakeholders, and regulators to work together to improve the effectiveness of those regulations over time to benefit the environment and consumers. These proposed regulations have not been tested in the market. We do not support tying these regulations to any regulatory or incentive program before 2023, to allow manufacturers time to implement the procedures necessary to comply with the certification program, and ensure the regulations are not causing negative market impacts.

The Coalition shares CARB's goal of increasing ZEV deployment and accelerating the reduction of greenhouse-gas and criteria-pollutant emissions. However, we believe these proposed regulations could actually delay California's realization of these emissions reductions by imposing increased costs on ZEVs and therefore slowing their advancement in the market. We recommend that CARB staff continue to work with stakeholders to improve this proposal to ensure it will promote the development of the zero-emission medium- and heavy-duty market.

Thank you for your consideration of our feedback.

Sincerely,

Hannah Goldsmith
California Electric Transportation Coalition

Bill Van Amburg
CALSTART

Heidi Sickler
Silicon Valley Leadership Group

Matt Stanberry
Advanced Energy Economy

Richard Schorske
Electric Vehicle Charging Association