

April 10, 2017

Chair Mary D. Nichols
California Air Resources Board
101 I Street
Sacramento, CA 95812

RE: Volkswagen's California ZEV Investment Plan: Cycle 1
(Submitted Electronically to vwzevinvestplan-ws)

Dear Chair Nichols:

The Association of Global Automakers, Inc. (Global Automakers)¹ appreciates the opportunity to comment on the public version of Volkswagen's "California ZEV Investment Plan: Cycle 1" (VW Investment Plan), dated March 8, 2017. Global Automakers appreciates the substantial amount of work that has been put into the VW Investment Plan, but we are disappointed that the plan does not contain any support for hydrogen infrastructure. An inclusive mix of all technologies will be needed to achieve the Zero Emission Vehicle (ZEV) program and climate change goals. Our companies are investing billions of dollars in advanced technologies – everything from plug-in hybrids to battery electric, to fuel cell electric vehicles. We recommend that the VW Investment Plan should follow the same principle of this all-inclusive approach.

Global Automakers supports California's technology-neutral approach to vehicle electrification. As the California Air Resources Board (ARB) has recognized, both battery and fuel cell technologies will be critical and necessary to meeting the state's clean air and climate goals. This approach is also necessary to provide customers with a wide range of vehicles to meet their needs under the state's requirements to electrify the fleet.

In addition, ARB recognizes the value of considering all options, including plug-in technology and hydrogen fuel cells, in the VW Investment Plan, and encourages Volkswagen to include hydrogen investment in this or a subsequent 30-month plan. ARB makes this point in Section II of the CARB "Guiding Principles and Project Examples for the VW Investment Plan," stating that:

Hydrogen used as a transportation fuel is important in California. VW is strongly encouraged to include hydrogen investment; if not now in a subsequent 30 month investment plan. In this way, VW and California will promote ZEVs but remain technology neutral. Hydrogen fuel has attributes that may mitigate grid supply and demand inequities, be applicable to medium and

¹ The Association of Global Automakers, Inc. represents international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. In the state of California, our members' market share is 56 percent, and our members have invested \$5.7 billion in the state through employment, facilities, dealerships, etc. We work with industry leaders, legislators, regulators, and other stakeholders in the United States to create public policy that improves motor vehicle safety, encourages technological innovation and protects our planet. Our goal is to foster an open and competitive automotive marketplace that encourages investment, job growth, and development of vehicles that can enhance Americans' quality of life. For more information, please visit www.globalautomakers.org.

heavy duty transportation, and provide long-range refueling as quickly as gasoline or diesel. Although VW has expressed more interest in plug in technologies, California has many opportunities to invest in the early development of the hydrogen refueling station network. Establishment of an efficient, reliable and accessible fueling network will open up the market for fuel cell vehicles and provide an opportunity for a more renewable transport sector, opening new opportunities for car makers including VW to successfully market zero emission vehicles fueled by zero emission sources of energy.²

While ARB does provide the option to address hydrogen in future iterations of the investment plan, Global Automakers is concerned that the current plan is too narrowly focused on a single option. Global Automakers therefore recommends that the current and future iterations of the plan devote a portion of funds specifically for hydrogen infrastructure in addition to charging stations. This inclusion will help support the all-inclusive and technology-neutral approach needed for ongoing efforts to support low-carbon, light-duty transportation.

Thank you for your consideration of our comments. If you have any questions regarding these comments, I can be reached at (202) 650-5555 or jrege@globalautomakers.org.

Sincerely,



Julia Rege
Director, Environment and Energy

cc: Tyson Eckerle, California Governor's Office of Business and Economic Development
Alberto Ayala, ARB
Brendan Jones, Electrify America

² ARB. "California Air Resources Board's Guidance to Volkswagen on First 30 Month Electric Vehicle Infrastructure Investment Plan of the 2.0 Liter Diesel Engine Partial Consent Decree Settlement," at 11. February 10, 2017. https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/carb_guidance_021017.pdf.