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December 16, 2016

Mark Williams, Mailstop 3E Air Resources Board P.O. Box 2815 Sacramento, California 95812

Subject: Comments Regarding California's Guidance for the Zero Emission Vehicle Investment Plan

On behalf of the Sacramento region and in partnership with the City of Sacramento, the Sacramento Metropolitan Air Quality Management District (SMAQMD), and the Sacramento Area Council of Governments (SACOG), we are writing to commend the Air Resources Board (ARB) for its role in securing the zero emission vehicle (ZEV) Investment Commitment for California. This funding provides a critical opportunity to deliver transformational changes in California's transportation system. The investment has potential to catalyze pivotal achievements towards the state's clean energy and transportation goals while delivering real improvements disadvantaged for communities and working neighborhoods.

Recognizing this unparalleled opportunity, we are providing by this letter our support for four recommendations to the ARB as it prepares guidance for the ZEV Investment Commitment:

1. Use appropriate metrics identify to kev markets implementation. In addition to criteria for disadvantaged communities established by state legislation in Assembly Bill 32 (California Global Warming Solutions Act of 2006) and updated by Assembly Bill (AB) 1550 in 2016, the ARB should also consider other metrics for priority markets, specifically the federal Promise Zone designation. Promise Zone communities are federallyand designated areas challenged by unemployment, and other factors such as high mortality rates and violent crime. Promise Zones have also been evaluated through a competitive selection process, with selected communities offering capable partnerships between the federal government and local leaders. These partnerships are mobilized and equipped for publicprivate initiatives. Sacramento is one of four Promise Zone communities in California. The Promise Zone designation

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demonstrates not only socioeconomic vulnerability, but also the strength of existing partner commitments.

The intent and goal of the Promise Zone is to coordinate and focus multi-agency federal funding into these zones as a high priority and leverage that funding with available state and local funding to maximize the benefits to the identified Promise Zone residents. The value of having the ZEV Investment Plan focused on Promise Zone areas are that it will provide the leveraging of multiple funds into areas where the benefits will be greater than if the funds are expended in a less organized manner.

- 2. Prioritize the role of existing efforts for evaluating high-priority investments. ARB should include guidance for evaluation of communities that are ready for transformational investment. Expenditures will result in more effective community benefits where there is an existing synergy between regulatory- and market-readiness. California has several plug-in electric vehicle collaboratives. Sacramento is one of a handful of regions in California that is actively investing in ZEV infrastructure and marketing. The status of local policies and standards can also help determine readiness for investment. The adoption of EV-readiness plans and enabling codes are fundamental indicators of local capacity. Together, such initiatives serve as a toolkit for streamlining and predictability - critical factors that will be necessary to guide investments and deliver results in a timely fashion consistent with the ZEV agreement and timelines. Expertise for deployment and evaluation are also relevant, with an important role for universities to play in the ZEV investment. With the Sacramento region, the nearby University of California Davis is not only one of the world's leading research institutions for electric vehicles, but also serves as a lead university for the National Center for Sustainable Transportation consortium. The value this already-in place collaboration provides to the ARB and ultimately Volkswagen is that this region is ready to go and has the tools, relationships, and understanding in place.
- 3. Provide clear guidance to build on demonstrated leadership in electrification. To maximize outcomes, Regional Transit (RT) encourages the ARB to recommend that the investment leverage early electrification leadership in California. Prioritizing proven leadership can allow for rapid scalability and high-visibility wins. The ARB should identify and encourage investment in areas that have demonstrated the ability to both innovate and spread successful innovations throughout the state. Such an approach ensures that funding benefits from existing political and social capital, targeting areas with the proven capacity to disseminate new approaches and successes to other regions. Within the Sacramento region, several efforts exemplify the type of foundational leadership that is necessary to support transformational change and demonstrates the strengths that the Sacramento region brings. The examples are:
 - 3.1. RT has been an innovator since the 1990's in being the first major transit provider in the state operating a bus fleet running on compressed natural

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gas, with initial trials beginning in the early 1990's and growing to 100% of the fleet today. RT is now working on plans to pilot the region's first battery-powered electric buses, and continues to implement new efforts to spur transit ridership, expand system coverage and better serve Disadvantaged Communities and work with our partners and legislators to achieve these goals.

- 3.2. Since beginning its EV program in 1989, the Sacramento Municipal Utility District (SMUD) has secured more than \$30 million in competitive grants for EVs and EV infrastructure with the City and other partners. Recently recognized as the 2016 Alliance to Save Energy Star for Transportation Efficiency, SMUD offers a commitment of approximately \$3.1 million annually for customer-facing light duty EV programs through 2020.
- 3.3. The Sacramento Metropolitan Air Quality Management District offers programs and funding to leverage for electrification. With a \$1.4 million ARB grant, the Air District is implementing an electric car share program to construct charging stations in disadvantaged communities throughout the region. The Air District is also implementing the ARB-funded Enhanced Fleet Modernization Program, and will be expending an anticipated \$3.3 million to foster alternative fuels including plug-in hybrid and battery EVs.
- 3.4. In December 2013, the Sacramento Area Council of Governments adopted the region's first plug-in EV readiness and infrastructure plan, TakeCharge, followed by ongoing investment in regional electrification planning. SACOG offers a long history of innovative partnerships and collaboration, using one of the nation's most robust transportation modeling and measuring tools in the country, SACSIM. Such tools offer an advanced opportunity for analyzing the relationship between electrification and land use decisions. SACOG has also served as a leader securing grants for EV infrastructure, funding construction of three DC fast chargers to date. Working together with Sacramento County and other partners, SACOG also continues to expand community-wide EV education and streamlining. Work is underway to update guidance for plug-in EV readiness, pursuant to AB 1236 (Electric Vehicle Charging Stations).
- The City of Sacramento was hailed in 2015 as the #1 Green Fleet in North 3.5. America, with 50% alternative fuels and ongoing investments in electrification. The City has constructed more than 40 EV chargers at public facilities. The City has also succeeded in attaining competitive funding for ambitious projects, securing more than \$400 million in federal, state, and local awards for the multi-modal Downtown Railyards project. With this funding, the City is constructing critical public infrastructure to support a mixed-use, transit-oriented community at the nation's 7th busiest Amtrak station, the Sacramento Valley Station. The station is a designated 2016 Metropolitan Transportation the Priority Area in Transit Plan/Sustainable Communities Strategy, serving regional light rail, transit,

and Amtrak routes, in addition to future high speed rail. Situated at the confluence of key national routes on the US Department of Transportation's national electric vehicle charging corridor, Sacramento Valley Station is a central location to support electrification and clean, multi-modal trip chaining. With one DC fast charger already operational and two electric car share chargers under construction, the site is an exemplary location for quick wins in electrification.

Early government leadership in our region has fostered market readiness. Market readiness is a key ingredient for ZEV investment success. Collectively, RT is working with our partners to support an estimated 2,600 EVs countywide and to encourage growing EV demand.

4. Actionable partnerships should be an important guiding principle for the ZEV investment. The role of partnerships to deliver outcomes should not be underestimated. Our collective experience demonstrates that creative solutions require a capable team with vision, experience, and proven real-world results. As outlined in the examples above, successes in the Sacramento region show that strong partnerships have been vital both for realizing and disseminating ambitious achievements. Efforts such as the Sacramento Region Blueprint further demonstrate the region's capability to not just tackle big issues, but also to follow through with the commitment to serve as a resource for sharing new solutions. For example, SACOG has long served as a leader to broadly leverage regional planning successes across the Central Valley, providing capacity and technical assistance to other metropolitan planning organizations and leadership groups.

The Sacramento region looks forward to the opportunity for consideration to support the ZEV investment. We offer strong public-private partnerships, electrification expertise, and a proven and demonstrated culture of innovation. Together, we are equipped to move forward to the next generation of innovation in green and intelligent transportation systems. This is what the ARB and Volkswagen are striving for and what we are prepared to provide.

On behalf of the Sacramento Regional Transit District and in partnership with the City of Sacramento, SMAQMD, and SACOG, we encourage the ARB to incorporate the four recommendations outlined above into your guidance for the ZEV Investment Commitment. Should you have any questions or wish to discuss these recommendations further, please do not hesitate to contact me at (916) 556-0441 or by email at HLi@sacrt.com.

Sincerely,

Henry Li

General Manager/CEO