CITY OF OAKLAND

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Office of the Mayor
Libby Schaaf
Mayor

December 16, 2016

Mary D. Nichols
Chair, California Air Resources Board
1001 I Street, P.O. Box 2815
Sacramento, California 95812

Dear Ms. Nichols,

On behalf of the City of Oakland, I am writing to comment on the Volkswagen settlement plan for California. Oakland applauds your staff in working with VW to ensure that their investments in California support the State's greenhouse gas reduction goals and our progress in market transformation toward zero-emission vehicles. We hope these investments will enhance local government's efforts in increasing ZEVs in their own fleets, and within their communities.

The City of Oakland supports efforts that increase access to ZEVs for all of its residents, especially those who reside in Oakland's disadvantaged communities. We fully endorse strategies to bolster rebate, grant, and loan programs that help lower-income families purchase or lease ZEVs, and rideshare programs that increase access to clean air vehicles and reduce emissions. ZEV vehicle sharing is expanding to include companies that enable members to share electric scooters and electric-assist bicycles, which can reduce urban congestion and can be solar-charged. The expansion of two-wheel ZEV sharing and solar charging stations at multi-modal mobility hubs should be included as eligible expenses for the Volkswagen settlement funds. Oakland is in discussions with CalCEF, the California Clean Energy Fund, to expand this sector.

A deeper focus on infrastructure is also needed to increase ZEV access. Specifically, Oakland hopes that VW will invest in the following areas:

Include a focus on multifamily buildings. Multi-unit dwellings (MUDs) house 42 percent of Californians. In 2013, 52 percent of Oakland's housing stock was in MUDs. Although 80-90 percent of plug-in electric vehicle (PEV) drivers charge their cars at home, home charging is usually not an option for those living in MUDs. Numerous barriers discourage retrofitting MUDs to accommodate PEV infrastructure, the greatest of which is the high cost of retrofits. Tenants are often required to pay for the installation of infrastructure, while building owners own the infrastructure once it is installed. In addition, landlords and homeowners' associations often set insurance requirements or other conditions that

discourage the installation and retrofit of PEV charging infrastructure by tenants or condo owners. VW should invest in offsetting the retrofit and site preparation costs in existing MUDs. Given that site preparation alone can constitute one half to three quarters of the total cost of charger installation in existing buildings, offsetting that initial cost through grants could significantly increase the number of MUDs installing PEV chargers – thus unleashing the "next" market of PEV owners.

Support widespread access to ZEV charging infrastructure throughout the State. As mentioned, access to PEV charging remains one of the biggest barriers to wider ZEV adoption. The immense network of gas stations across the State should be leveraged to provide reliable and plentiful, public access to zero-emission transportation energy.

Support rapid market transformation for Hydrogen and Fuel Cell Electric Vehicles. The VW settlement funds should leverage and extend California's Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP) funding to build more renewable hydrogen and FCEV stations. The State's own analysis highlights insufficient hydrogen infrastructure and supply in the near term to support greater adoption of FCEVs. The VW settlement could also support building stations for transit buses and trucks, and supporting testing devices that can significantly reduce the time needed to commission stations.

Focus on fleets to protect vulnerable populations by reducing priority air contaminants and GHGs found in diesel. VW must commit to making a decisive impact in reducing emissions that contribute to climate change, and eliminating pollution that causes asthma and heart disease among our most vulnerable populations by transforming the medium- and heavy-duty vehicle market. Trucks constitute just 4 percent of all vehicles on California's roads, yet produce 9 percent of vehicle-based GHGs and emit 60% of particulate matter. VW should work with fleet operators to increase adoption of medium and heavy-duty FCEVs. This work can take the form of defining economic pathways and business models to transition fleets, investing in charging and fueling infrastructure (including hydrogen and renewable diesel), and sponsoring test-drives of available models. This goal is supported by the Medium and Heavy-Duty Fuel Cell Electric Truck Action Plan for California (CAFCP 2016).

Coordinate with local governments and Community Choice Aggregators (CCA), such as Alameda County Community Choice Energy. Municipal Owned Utilities (MOUs) and CCA programs across the state are working to reduce the carbon intensity of electricity production and distribution while ensuring that energy production meets local goals, such as reduced electricity rates and increased workforce development. MOUs and CCAs can develop and pilot model tariffs and incentives for PEVs and other complementary Distributed Energy Resources (such as energy storage and rooftop solar) to further increase the climate benefits of driving electric and make installation of ZEV fueling more accessible.

Support the Pacific Coast Collaborative goals through comprehensive implementation of the municipal low carbon fuel-powered fleet. Municipal agencies have large fleets with

various barriers to immediate changeover to zero-emission vehicles. Therefore, fleet transition support should include CNG, LNG, renewable diesel, and hybrid vehicles in addition to PEVs, renewable hydrogen, and FCEVs. Oakland is part of the Pacific Coast Collaborative, which has prioritized transitioning to low-carbon fuels along with zero-emission vehicles in order to maximize immediate reductions in GHG emissions. Last year, Oakland transitioned its entire diesel-powered municipal fleet – 250 vehicles and machines including sweepers, trucks, tractors, and construction equipment – to renewable diesel. The transition will eliminate 230,000 gallons of petroleum diesel and over 1,500 metric tons of greenhouse gasses (GHGs) annually, at no additional cost. VW can support Cities like Oakland in pushing these transitions even further.

Oakland appreciates the opportunity to provide input into this process. If you have any questions or require additional information in regards to this letter, please contact Shayna Hirshfield-Gold, Energy Policy Analyst for Oakland's Environmental Services Division, at shirshfield-gold@oaklandnet.com or at 510-238-6954. We look forward to partnering with CARB and VW to ensure that investments complement other initiatives, and to maximize the benefits of this investment for the good of all Californians.

Sincerely,

Libby Schaaf, Mayor
City of Oakland

cc: Governor Edmund G. Brown
Nancy McFadden, Office of Governor Brown
Assembly Member Rob Bonta
Assembly Member Tony Thurmond
Mark Williams, Air Resources Board