

# BMW Group

June 21<sup>st</sup> 2012

Mrs. Mary Nichols  
Chair  
California Air Resources Board  
1001 I Street,  
Sacramento, California 95814

## **Comments BMW Group ref. Public Consultation on Investment of Cap-and-Trade Auction Proceeds**

BMW Group supports investing cap-and-trade revenues in clean energy solutions necessary to achieve California's long-term environmental, public health, and economic goals. Noting the critical role efficient vehicle technologies will play in reducing emissions in the transportation sector, Executive Order B-16-2012 set a benchmark of 1.5 million zero emission vehicles in California by 2025. Unfortunately, tools like the AB118 funding for consumer incentives necessary to accelerate the still nascent clean vehicle market will expire just when they are needed most. Revenue from California's cap-and-trade program, much of which will come from the transportation sector, could meet this need and ensure the goals established by executive order and required by AB 32 are met, keeping California at the forefront of the nation's efforts to secure a clean energy future.

Vehicle technologies that can significantly reduce CO2 emissions are already available. For example, driving a modern plug-in electric vehicle on California's relatively clean electricity mix today emits only a quarter as much as the average conventional vehicle. Those gains will only increase as California continues to improve the environmental performance of its electricity generation, as required by the Renewable Portfolio Standard.

Consumer incentives play a critical role in accelerating adoption of such next-generation clean technologies. Unfortunately, funding sources for many clean vehicle incentive programs are set to expire

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just when they are needed most. Revenue from California's cap-and-trade program should be used to meet this need, and to accelerate consumer investment in vehicles that will play a central role in meeting the goals established by Executive Order B-16-2012 and the targets required by AB 32. Californians have led the nation in creating an early market for clean vehicles, purchasing the lion's share of the first widely available plug-in cars, but success is far from guaranteed. Continuity of incentive funding will be critical to ensure the market expands sufficiently to reduce the state's dependence on fossil fuels, meet long-term environmental goals, and secure California's leadership in the clean energy economy.

BMW Group will be pleased to provide input to ARB developing appropriate plans in order to achieve the above mentioned goals.

Respectfully,



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