



South Coast Air Quality Management District

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August 14, 2008

Mr. James Goldstene
Executive Officer
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Dear Mr. Goldstene:

South Coast AQMD Staff Comments Regarding the 2008
Proposed Amendments to the California Zero Emission Vehicle Program Regulations

The following are our specific comments in order of priority regarding the proposed amendments to the ZEV regulation.

ZEVs and Credits for ATPZEVs

AQMD staff supports increasing the number of ZEVs required in 2012-2014 to 7,500 from CARB staff's initial proposal of 2,500. However, as we testified at the March 27, 2008 Board Hearing, we believe the credit structure used to determine the number of backfilled enhanced ATPZEVs is arbitrary and too low based on the state-of-technology. Hybrid sales in California for 2007 were nearly 75,000, which indicate a strong market for enhanced ATPZEVs. The proposed regulation would only require 58,000 enhanced ATPZEVs over the three year period. **We strongly recommend that the enhanced ATPZEVs required be brought back to the original staff proposal of 75,000 as needed for the SIP.**

Creation of a "New Path" for 2012

AQMD staff supports the overall efforts to simplify the structure of the program with the "New Path" starting in 2012. As mentioned above, the credit structure does not specifically address air quality improvements. **We continue to recommend that enhanced ATPZEVs with the lowest emissions be rewarded with higher credits.** For example, several existing ATPZEVs are currently certified at 0.01 g/mi NO_x, 50% below the certification standard and such vehicles should be awarded higher credits.

We look forward to incorporation of PZEV emission reductions into an enhanced LEV regulation in the future, and development of a technology based ZEV regulation for 2015 and beyond.

Provide More Equal Treatment of Battery Electric Vehicles

We agree with removing the cap on battery electric (Type II) ZEVs and adjusting the credit ratios based on the credits earned under the current Base Path. It seems inconsistent that the Type III ZEV with 200 mile range is not required to fast fuel whereas the longer range Type IV and V vehicles are required to fast refuel. Longer range vehicles will likely not require fast refueling, so **we recommend that the fast refueling requirement be eliminated from the Type IV and V vehicles such that a plug-in hybrid electric fuel cell vehicle would be sufficiently incentivized based on range capability.**

Extend "Travel" Provision

AQMD staff appreciates the review of the Travel Provision in the "Loophole #3" discussion but remain concerned about foregone emissions benefits in the South Coast Air Basin. If the Travel Provision is extended, because of SIP emission reduction needs, **we recommend a compensatory trade-off to ensure the foregone emissions benefits are realized.** The burden of adapting California's regulation in other states should be placed on those states.

Lastly, AQMD staff has appreciated working with CARB staff to enable preliminary evaluation of a plug-in hybrid electric vehicle and development of revised HEV test procedures for plug-in hybrid electric vehicles. We look forward to working with CARB on the above critical issues and participating in the on-going regulatory process. Please contact me if you have any questions or would like to further discuss our comments in more detail.

Sincerely,



Barry R. Wallerstein, D.Env.
Executive Officer

cc: T. Cackette
A. Bevan
E. Keddie

CSL:HH: MMM:LHM