

July 25, 2017

SUBMITTED VIA EMAIL

The Honorable Mary Nichols
Chair, California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

RE: Agenda Item: 17-8-3, Consideration of the Volkswagen Zero Emission Vehicles Investment Plan

Dear Chair Nichols:

The Association of Global Automakers, Inc. (Global Automakers) and our members have reviewed the Supplement to the ZEV Investment Plan for California pertaining to the Appendix C funds. While we appreciate Electrify America's efforts to respond to the Air Resources Board's letter of May 24, 2017, Global Automakers believes it is important to weigh-in on some of the new elements in the Supplement.¹ Global Automakers has always and continues, to take an all-of-the-above, technology-neutral position on low carbon transportation technologies that can play a key role in helping to achieve our mid-century climate and environmental goals.

We appreciate the work done to date on the Investment Plan. As noted in our previous comments to the Board, we recommend that the plan include fuel cell electric vehicles (FCEV) and devote a portion of funds specifically for hydrogen refueling stations. This inclusion will help support the all-inclusive approach needed for ongoing efforts to support low-carbon, light-duty transportation and electrification of the fleet.

Our companies are investing billions of dollars in advanced technologies – everything from plug-in hybrids to battery electric to fuel cell electric vehicles. We are proud that the number of electric-drive

¹ The Association of Global Automakers represents the U.S. operations of international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. We work with industry leaders, legislators, regulators, and other stakeholders in the United States to create public policies that improve motor vehicle safety, encourage technological innovation and addresses environmental needs. 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. Global Automakers' members sell 56% of the cars and trucks purchased in California, most of which are made in the US. We employ over 10,000 Californians at 79 facilities, including 18 R&D centers. For more information, visit www.globalautomakers.org.

vehicles, in a variety of model types, sizes, and price points, are increasing every year. Having a wide-range of vehicles that take full advantage of the spectrum of technologies available - is key to building a strong value proposition to consumers to meet their wants and needs.

The requirements in Appendix C of the Settlement recognizes the need to support the full range of electric-drive technologies, stating that the Investment Plan “should support and advance the use of ZEVs in the United States by addressing an existing need or supporting a reasonably anticipated need.”² Building a robust network of stations that serve all communities is critical to Electrify America’s goal of “a long-term, economically-sustainable network that provides services beyond the 10 year consent decree window.”³ If Electrify America wishes to be “a change agent for infrastructure development in general,” then it is only appropriate that all avenues of future forecasting be employed.⁴

The state of California has provided investment for all types of electric vehicle refueling to date, and more funding is needed in all cases to build out adequate infrastructure to support California’s substantial ZEV goals. Global Automakers recommends that the next iteration of the plan include hydrogen and devote a portion of funds specifically for hydrogen infrastructure.⁵ Picking winners and losers at this early stage of the market is counterproductive both to customers and to our collective social goals. Inclusion of hydrogen in the plan will help support the holistic approach needed for ongoing efforts to support low-carbon, light-duty transportation.

In creating opportunities to impact the greatest number of consumers, Electrify America should consider collaborating with all stakeholders to educate and encourage consumers to purchase a ZEV, and share information in a transparent manner.⁶ Global Automakers encourages Electrify America to consult with all organizations that are developing outreach campaigns to avoid duplication of efforts and ensure that financial investments are most efficiently utilized. Combined efforts from all parties will help to ensure that the broadest array of the population is reached.

² Corey, R. (2017, May 24). Re: Volkswagen 2.0L October 2016, Appendix C California ZEV Investment Plan [Letter written May 24, 2017 to Mark McNabb of Electrify America]. Retrieved from https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/zip_supplement_request_052417.pdf.

³ Electrify America. *Supplement to the California ZEV Investment Plan: Cycle 1* at pg. 5.

⁴ Electrify America. *Supplement to the California ZEV Investment Plan: Cycle 1* at pg. 7.

⁵ Global Automakers has several member companies that have invested heavily in FCEVs, and we recommend that Electrify America engage directly with these companies to better understand the needs of hydrogen infrastructure going forward.

⁶ For example, Electrify America has referred to proprietary research and modeling conducted. In several places in the Supplement, Electrify America discusses its interest in reevaluating their model and assumptions (pg. 6, 12 and 29-30, for example). There is, however, little deep dive into what these assumptions entail and how interested stakeholders may contribute to better understanding of economic and technical issues that may exist. Since the ZEV Investment Plan was established to offer benefits to the greatest number of consumers and to offer a clear process of moving forward, Electrify America should consider sharing the assumptions. Global Automakers encourages ARB and Electrify America to find an appropriate means for sharing critical modeling assumptions and analyses that form key decision-making. A clear and open process creates the greatest assurance that all are best served by these investments.



Global Automakers and its members remain supportive of a collaborative process for ZEV market-building and success. We look forward to answering any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Rege".

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CC: ARB Board Members