

July 20, 2016

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: ZEV Requirements in Section 177 States

Dear Mary Nichols:

As lead environmental agency officials in states that are implementing the California Advanced Clean Cars rules, including the Zero Emission Vehicle (ZEV) requirements, and who are partners with California in the development and implementation of the Multi-State ZEV Action Plan, we write to stress the importance of ensuring that robust and binding ZEV requirements take effect in our states.

Our states, like California, have adopted aggressive greenhouse gas (GHG) emission reduction goals. Transportation is the largest source of GHG emissions in our states, and the most difficult sector to control as emissions continue to increase. For this reason, transportation electrification is a key strategy to achieving our climate goals. The Clean Air Act, however, precludes us from adopting vehicle emission standards that differ from California's. Accordingly, decisions made by the Air Resources Board in the course of the ZEV mid-term review will have a significant bearing on our efforts to support clean transportation and meet our state GHG goals.

Regulatory certainty is critical for both the automobile manufacturers and the states to effectively plan and manage the transition to wide spread transportation electrification. Due to the structure of the current regulation, there has not yet been a binding ZEV sales requirement in our states.¹ The binding ZEV sales requirements, set to begin in 2018, are critical to maintain the certainty necessary to drive both continued investments and innovations by the automobile manufacturers. Any further delay would undermine the certainty that automobile manufacturers, utilities, charging providers, and others need for effective planning, and would put at risk the millions of dollars our states have invested in ZEV readiness. States, stakeholders, and the automobile industry are working together in an unprecedented manner to build a ZEV market. Regulatory certainty and consistency is a critical element to this collaborative effort.²

To be clear, our states are not relying on the ZEV mandate alone to transform the transportation sectors. Since the 2012 ZEV amendments, we have been working on many fronts with multiple stakeholders to prepare our markets for ZEVs. Together our states continue to add to the

¹ The "travel provision" lets manufacturers earn credit in **every** ZEV state for a vehicle placed in **any** ZEV state. As described in previous ZEV rulemakings, the intent of the travel provision was to foster ZEV technology and control costs by allowing automakers to focus early marketing and sales efforts in California. As the Final Statement of Reasons for the 2012 ZEV amendments recognized, ZEV sales in the Northeast will be low until the "travel provision" expires.

² We recognize the potential benefit of some important refinements to elements of the program, including the credit generation mechanism, as identified in other correspondence. See, e.g., New York's October 19, 2015 letter (New York advocates that manufacturers not receive full credit until a vehicle is sold).

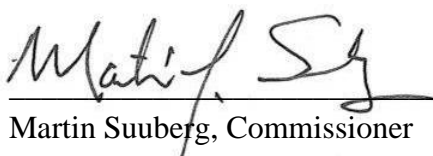
thousands of public charging stations already deployed, offer purchase incentives for ZEVs and charging stations, promote workplace charging, add ZEVs to our public fleets, establish dealer training and recognition programs, and more – all in anticipation of the binding sales requirements that are set to take effect in 2018. Our States remain ready and committed to supporting ZEVs in the increasing numbers that will be required to comply with the ZEV regulation and further our collective efforts to combat the grave threat of climate change.

For the foregoing reasons, we urge you to avoid any changes to the ZEV regulation that would reduce or delay ZEV sales requirements in our states.

Sincerely,



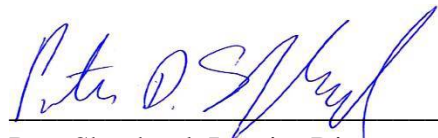
Robert Klee, Commissioner
Connecticut Dept. of Energy & Environmental Protection



Martin Suuberg, Commissioner
Massachusetts Department of Environmental Protection



Basil Seggos, Commissioner
New York Department of Environmental Conservation



Pete Shepherd, Interim Director
Oregon Department of Environmental Quality



Janet Coit, Director
Rhode Island Department of Environmental Management



Deb Markowitz, Secretary
Vermont Agency of Natural Resources