

July 25, 2014

Meredith Hatfield, Director
Office of Energy and Planning
Johnson Hall
107 Pleasant St.
Concord, NH 03301

Dear Ms. Hatfield:

NESCAUM offers the following response to comments submitted by the Alliance of Auto Manufacturers in a document entitled “California’s Low Emission Vehicle Program in New Hampshire,” dated 7-8-14 on the public comment website.¹ NESCAUM is the regional association of state air pollution control agencies representing Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont.

- 1) **“By adopting CA LEV, states’ [sic] effectively cede authority to California and tie themselves to all future changes California makes to these programs.”** While it is true that the California Air Resources Board (CARB) has unique authority to develop and promulgate the LEV regulations, states that choose to adopt and enforce these regulations pursuant to §177 of the U.S. Clean Air Act are free to rescind their CA-LEV rules at any time. Moreover, CARB has historically shown a readiness to engage with states that are implementing the CA-LEV rules (§177 states) when review or revision is warranted. CARB views the §177 states as partners in its efforts to introduce low- and zero-emitting vehicles into the fleet. California’s participation in the multi-state ZEV MOU and Action Plan illustrates its commitment to working with and supporting the states in their efforts to ensure the success of the ZEV regulatory program.
- 2) **“The harmonization of Tier 3 and LEV III will ensure the benefits associated with these programs are identical.”** In their current form, the federal tailpipe emission standards are harmonized with CA LEV III. However, there is no guarantee that in the future, EPA will not modify or weaken the rule. CA-LEV states are assured of a regulatory backstop, which presents no additional burden to the manufacturers so long as the federal rules remain harmonized.
- 3) **“New Hampshire’s 2013 sales data shows that the new vehicle market consisted of approximately 0.12% BEVs and 0.23% PHEVs.”** Most manufacturers have not made EVs available in New Hampshire, and marketing efforts have been lackluster at best. Nevertheless, sales are increasing dramatically in NH as they are throughout the region. Total NH plug-in vehicle registrations more than doubled from 2012 to 2013 according to data from R.L. Polk. All of these vehicles would have been eligible to earn valuable credits for the manufacturers if NH was a ZEV program state.

- 4) **“New Hampshire consumers would need to embrace and purchase of [sic] BEVs, FCVs and PHEVs at a rate that is more than 10 times faster than the public embraced and purchased hybrid vehicles.”** This is not a meaningful comparison. Plug-in vehicle (PEV) sales nationally have outpaced hybrid-electric vehicle (HEV) sales in the first four years after market introduction,² despite the fact that, as mentioned above, many vehicles have been offered only in limited volumes and markets. Moreover, PEVs are appealing to consumers for a variety of reasons, including very low cost of operation³ and the ability to re-fuel at home or at the workplace, which are not applicable to conventional HEVs. Finally, it must be noted that the California ZEV regulation contained strong incentives in the early phases for HEV sales. The subsequent commercial success of HEVs (the Toyota Prius is now one of the world’s top-selling vehicles) may not have been possible were it not for the ZEV program.
- 5) **“There is no measurable environmental benefit associated with the ZEV Mandate.”** ZEVs produce no tailpipe emissions. Therefore, ZEVs can dramatically reduce roadside and local exposure to smog-forming and other hazardous pollutants. Moreover, total lifecycle pollution is low and getting lower over time as power plants continue to reduce emissions.⁴ Finally, ZEVs are necessary to achieve New Hampshire’s long-term GHG reduction goals.⁵
- 6) **“[The ZEV Mandate] remains the most expensive regulation in the history of CARB.”** Many ZEV consumers save money overall, and money spent on charging remains largely within the local economy in stark contrast to money spent on gasoline. Nissan and Tesla are making profits from PEV sales.^{6,7} Based on PEV registrations to date, manufacturers have missed out on nearly \$4M in ZEV credits in NH alone.
- 7) **“California estimates that in 2016, a BEV75 will cost \$17,562 more than a comparable gasoline vehicle.”** After the federal tax credit, the 2015 Leaf retails for as low as \$21,510.⁸ For the above statement to be true, a comparable gasoline vehicle would need to be priced at \$4,038. As of May 2014 there were at least nine PEV models available for sale for less than the price of the average new vehicle.⁹
- 8) **“Currently, to the best of the Alliance’s knowledge, New Hampshire offers no incentives for ZEVs.”** The multi-state ZEV Program Implementation Task Force has identified incentives as a priority. Since the Action Plan was released, both MA and MD have announced new or expanded incentive programs and the other states are evaluating options for purchase as well as non-monetary incentives, such as HOV lane access, preferential parking, and other measures. If NH adopted the ZEV program, it would be eligible to join the multi-state governors’ MOU¹⁰ and Action Plan, and thereby take advantage of the best practices and policy recommendations that were developed by the ZEV states after close consultation with all of the major automakers, including the Alliance and its members.

- 9) **“Even with... significant investments by California, the feasibility of the ZEV Mandate is still in question.”** ZEVs are not constrained by lack of infrastructure, as most ZEV owners do most of their charging at home. Moreover, the nationwide network of charging stations is extensive and continuing to expand rapidly. There are presently over 20,000 public charging outlets in the US;¹¹ the ratio of public outlets to vehicles is far higher than for gasoline cars. And, as with incentives, the ZEV Task Force has put infrastructure support and expansion at the top of its list of priorities.

If you have any questions, please feel free to contact me at msolomon@nescaum.org or (617)259-2029. Thank you for the opportunity to assist New Hampshire in its efforts to reduce emissions from its transportation sector.

Sincerely,



Matt Solomon
Transportation Program Manager

¹ <http://www.nh.gov/oep/energy/programs/documents/sb191pc-2014-7-8-alliance-automobile-manufacturers.pdf>

² <http://press.ihs.com/press-release/automotive/electric-car-sales-are-stronger-they-might-seem>

³ <http://www.epri.com/abstracts/Pages/ProductAbstract.aspx?productId=00000003002004054>

⁴ http://www.ucsusa.org/assets/documents/clean_vehicles/electric-car-global-warming-emissions-report.pdf

⁵ <http://www.arb.ca.gov/regact/2012/zev2012/zevisor.pdf, pES-1>

⁶ <http://www.reuters.com/article/2013/11/20/us-autoshow-nissan-idUSBRE9AJ05Z20131120>

⁷ <http://money.cnn.com/2014/02/19/autos/tesla-earnings/>

⁸ <http://www.nissanusa.com/electric-cars/leaf/>

⁹ <http://www.nescaum.org/topics/zero-emission-vehicles/multi-state-zev-action-plan, p9>

¹⁰ <http://www.nescaum.org/documents/zev-mou-8-governors-signed-20131024.pdf/>

¹¹ <http://www.afdc.energy.gov/>