

Chair Randolph and Members of the Board
California Air Resources Board
1001 I St.
Sacramento, CA 95814

RE: Comments Regarding Amendments to Advanced Clean Cars II

January 15, 2024

Dear Chair Randolph and Members of the Board:

The undersigned environmental and public health organizations submit these comments in response to the November 15, 2023 workshop regarding amendments to Advanced Clean Cars II (“ACC II”). Many of our organizations worked with CARB in previous years as it finalized the ACC II program. We have urged the Board to adopt a strong, swift pathway to a zero-emissions future, avoid unnecessary loopholes that would slow implementation, and prioritize the needs of environmental justice communities. We appreciate the opportunity to comment here on how the Board can further those objectives through the proposed amendments to the program.

California’s GHG Standards Should be Stronger Than the Federal Program

CARB is considering adding greenhouse gas (“GHG”) standards to the program, as the current standards are set to expire after 2025. The staff presentation notes that CARB will “consider alignment with EPA where appropriate.”¹ It rightly notes that maintaining a California program is necessary to protect against volatility at the federal level,² giving the unraveling and re-establishing of the federal standards in recent years. In fact, however, California’s program needs to be *stronger* than the federal standards in order to achieve the state’s ambitious climate goals and prevent backsliding with regard to emissions from internal combustion engine (“ICE”) vehicles.

A strong GHG program is needed more than ever to combat the “truckification” of the vehicle fleet, as auto manufacturers follow incentives to build larger and less-efficient SUVs and pickup trucks. EPA’s 2023 Automotive Trends Report noted that cars represented a mere 37% of 2022 vehicle production, while horsepower, size, and vehicle weight have increased to their highest levels ever.³ EPA further noted that the trend towards truckification made the MY 2022 fleet more polluting than it otherwise would have been.⁴ And because EPA is proposing a fleet average standard in its draft rule, emissions may rise as more zero-emission vehicles (“ZEVs”) enter the fleet in coming years. CARB notes that without a backstop, emissions from the non-ZEV fleet are set to rise 15 grams per mile by 2032.⁵ This would have direct effects on air

¹ CARB Staff Presentation, November 15, 2023, slide 12.

² *Id.*, slide 16.

³ EPA, 2023 Automotive Trends Report, Executive Summary at ES-3, *available at* <https://www.epa.gov/automotive-trends>.

⁴ *Ibid.*

⁵ CARB Staff Presentation, November 15, 2023, slide 20.

quality in California’s vulnerable communities and the many states that have already adopted ACC II.

California must take the lead to ensure that new ICE vehicles, which will remain on the road for decades to come, do not pollute more over time. Many emissions control technologies are proven and cost-effective, yet manufacturers have dallied to implement them across their fleets. For example, turbocharged engines, which allow for more efficient engine operation, have been adopted in 78% of Ford’s vehicles, but only in 49% of GM’s fleet, 13% of Stellantis’, and 6% of Toyota’s.⁶ Cylinder deactivation, which allows for use of only a portion of the engine when less power is needed, has also been adopted unevenly: it is featured in 49% of GM’s vehicles, but only 27% of Stellantis’, 21% of Ford’s, and 3% of Volkswagen’s. Some of these usage rates have even *decreased* from the prior year. The fact that some automakers use some of these technologies some of the time demonstrates that there is much room for improvement.

Unless there is a strong backstop for ICE vehicles, automakers might choose to achieve their EV targets and at the same time allow emissions from ICE vehicles to stall. Even worse, there is a risk that automakers will backslide on improvements to their gas-powered fleets, arguing that they need to profit from selling more gas-guzzling trucks and SUVs, while also claiming that the added emissions would be canceled out with increased EVs. That equation is unacceptable, and CARB must prevent it.

Furthermore, while the proposed federal rule runs through 2032, ACC II governs through 2035. The additional three years of California’s coverage offer a further opportunity for the state’s leadership, both in terms of ZEV targets and GHG reductions. A strong California program will provide increased certainty to automakers that the state’s regulatory program will endure through 2035. California demonstrated its leadership in the ZEV space with the adoption of ACC II; it should now extend that leadership to the millions of ICE vehicles that will be sold before 2035 by adopting GHG standards stronger than EPA is considering.

CARB Should Eliminate Additional Credits and Loopholes

CARB is proposing to revisit the Fleet Utility Factor for plug-in hybrids, Air Conditioning credits, and the use of ethanol fuel blends. The agency is justified in reconsidering these factors and should use this amendment process as an opportunity to nix unnecessary loopholes that delay compliance and weaken the rule.

Plug-In Hybrids: CARB is right to re-examine the Fleet Utility Factor for plug-in hybrid vehicles. Studies show that drivers of these vehicles are charging these vehicles less than expected; therefore, their fuel efficiency is being overestimated. For example, one recent study from the International Council on Clean Transportation found that “real-world electric drive share [of PHEVs] may be 26%–56% lower and real-world fuel consumption may be 42%–67% higher than assumed within EPA’s labeling program for light duty vehicles.”⁷ CARB should base

⁶ EPA, 2023 Automotive Trends Report, Executive Summary at ES-8.

⁷ Isenstadt, Aaron et al., Real World Usage of Plug-In Hybrid Vehicle in the United States, International Council on Clean Transportation (Dec. 20, 2022), available at <https://theicct.org/publication/real-world-phev-us-dec22/>.

its utility factor on the real-world data that suggests that the climate-friendly benefit of these vehicles is being overstated.

Air Conditioning Credits: CARB should end the use of Air Conditioning (“AC”) credits which provide little if any environmental benefit. EPA is proposing to eliminate light-duty leakage credits for Model Years 2027 and beyond. CARB should follow suit, and instead *mandate* that vehicles use low-leak systems to minimize the risk of refrigerant escape. CARB should also eliminate the remaining AC efficiency credits.

Ethanol: There are significant downsides to ethanol-based fuels (e.g., E85) that should caution CARB against assuming their widespread availability and use. Government incentives for ethanol fuel have been shown to inflate corn prices and pollute waterways through increased fertilizer use, and ethanol fuels are more carbon intensive than traditional gasoline.⁸ CARB should not assume widespread ethanol use in its modeling or incentivize the use of this fuel type.

Conclusion

These amendments provide an opportunity for CARB to extend the leadership it showed with respect to ZEV adoption to the ICE vehicle fleet. Strong GHG standards that eliminate credits and loopholes, as described above, will further the goals of the Advanced Clean Cars program and protect California’s vulnerable communities and overall air quality. We look forward to engaging with CARB throughout this process as the agency develops specific regulatory mechanisms to achieve these goals. Above all else, we urge CARB to find all ways, large and small, to increase the pace of electrification in the light-duty fleet and make progress on the state’s ambitious climate goals.

Sincerely,

350 Bay Area

California Nurses for Environmental Health and Justice

Center for Biological Diversity

CleanEarth4Kids.org

Climate First: Replacing Oil & Gas

Climate Hawks Vote

⁸ See, e.g., Lark, Tyler et al., Environmental Outcomes of the US Renewable Fuel Standard, Proceedings of the National Academy of Sciences (Feb. 14, 2022), *available at* <https://www.pnas.org/doi/full/10.1073/pnas.2101084119>.

Coalition for Clean Air

Community Environmental Council

Endangered Habitats League

Plug In America

Resource Renewal Institute

San Francisco Baykeeper

Sierra Club California

Sunflower Alliance