

Subject: Electrify America's Cycle 2 ZEV Investment Plan is now available

The California Air Resources Board (CARB or Board) has received the second 30-month Zero Emission Vehicle (ZEV) Investment Plan (Cycle 2 Plan) from Volkswagen (VW) subsidiary Electrify America. Like the Cycle 1 Plan before it, the Cycle 2 Plan is required by California's partial settlement with VW resulting from its use of illegal defeat devices in its 2.0-liter (2.0L) diesel cars sold in the State from model years 2009 to 2015. The Cycle 2 Plan describes how Electrify America is proposing to spend the second \$200 million of its \$800 million California ZEV Investment Commitment.

CARB has initiated its review of the Cycle 2 Plan and invites you to provide comment on whether it meets the terms and goals of the 2.0L Partial Consent Decree. CARB staff will present the Cycle 2 Plan to the Board at its November 15-16, 2018, meeting. The Board will receive public comment on the Cycle 2 Plan immediately following staff's presentation. Following the public comments, the Board will decide whether to approve or disapprove, in whole or in part, the Cycle 2 Plan.

Proposed Action

The Cycle 2 Plan proposes that the second \$200 million California ZEV investment be spent as follows:

- approximately \$153 million on fueling infrastructure (including operations and maintenance)
 - \$95-115 million for metropolitan areas
 - \$25-30 million for highways and regional routes
 - \$8-12 million for residential Level 2 (240 volt) charging
 - \$4-6 million for electrified transit buses
 - Up to \$5 million for renewable generation
 - \$2-4 million for autonomous vehicle charging
 - Approximately \$2 million for rural Level 2 charging,
- approximately \$17 million for education, awareness and outreach activities,
- approximately \$10 for Electrify America's efforts to drive station utilization, and
- \$20 million for allowable operational expenses.

The Cycle 2 Plan may be obtained from CARB's website at https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/vw-zevinvest.htm.

Hearing Details

Date: November 15-16, 2018
Time: 9:00 AM (November 15, 2018)
8:30 AM (November 16, 2018)

Location: Cal/EPA Headquarters
Byron Sher Auditorium, 2nd Floor
1001 I Street
Sacramento, California 95814

Participants unable to attend in person may take part via webcast. The webcast may be accessed on the day of the hearing at <https://video.calepa.ca.gov/>.

CARB staff will present the proposed Cycle 2 Plan to the Board at the November Board hearing, with an assessment of how well it aligns with the requirements of the Consent Decree, as well as with Senate Bill 92 (June 27, 2017) and Board Resolution 17-23 (from the July 27, 2017 Board hearing). The Board will then decide whether to approve or disapprove, in whole or in part, Electrify America's proposed Cycle 2 Plan.

Interested members of the public may present comments orally or in writing at the meeting, and may provide comments by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments not physically submitted at the meeting must be received **no later than 5:00 p.m., October 26, 2018**, and must be addressed to one of the following:

Postal mail: Mr. Mark Williams, Mailstop 3E
California Air Resources Board
P.O. Box 2815
Sacramento, California 95812

Electronic Submittal:
[https://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=vw-zevinvest-c2bd-
ws&comm_period=1](https://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=vw-zevinvest-c2bd-ws&comm_period=1).

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Background

On October 25, 2016, the United States District Court for the Northern District of California approved a proposed 2.0L Partial Consent Decree between CARB, VW, and the United States Environmental Protection Agency (EPA). The Consent Decree partially resolves Clean Air Act and California State claims against VW for equipping its

2009 to 2015 model year 2.0L diesel vehicles with defeat devices. This Consent Decree fully mitigates the environmental harm done by VW's 2.0L diesel cars.

There are four elements of the Consent Decree, each described in a separate appendix. Appendix C, the ZEV Investment Commitment, requires VW to invest \$800 million in California in four \$200 million 30-month cycles over a 10-year period to support the increased use and availability of ZEVs. Appendix C outlines four areas in which VW may invest: ZEV infrastructure (including the development and maintenance of ZEV fueling stations), public awareness, increasing ZEV access, and a green city demonstration project.

CARB approved VW subsidiary Electrify America's Cycle 1 ZEV Investment Plan (Cycle 1 Plan), including the accompanying Supplement, at a public meeting on July 27, 2017. The Cycle 1 Plan provided: (1) \$120 million for charging infrastructure along highway corridors and in the communities of Fresno, Los Angeles, Sacramento, San Francisco, San Diego, and San Jose metropolitan areas; (2) \$44 million for Green City initiatives like ZEV car sharing and ZEV transit in Sacramento to improve access to clean transportation options, especially for low-income and disadvantaged community members, and (3) \$20 million for ZEV Awareness activities, including public education initiatives designed to use various media to highlight ZEV benefits and overcome barriers to ZEV adoption.

Electrify America submitted its first annual report on the Cycle 1 Plan in April of this year. In its first year, Electrify America focused on establishing the foundation necessary to support launching a major charging station network. Investments made included establishing contracts with charging equipment manufacturers and installers, real estate partners, and education and awareness creative agency partners, all to set the stage for successfully putting projects in the ground. Links to the annual and quarterly reports can be found at https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/electrifyamerica_reports.htm

General information on other components of VW's 2.0-liter Partial Consent Decree, and other settlement information associated with VW's use of defeat devices is available at https://www.arb.ca.gov/msprog/vw_info/vw-diesel-info/vw-diesel-info.htm. Specific information on Appendix C of the 2.0-liter Consent Decree, including Electrify America's ZEV Investment Plans, is available at https://www.arb.ca.gov/msprog/vw_info/vsi/vwzevinvest/vw-zevinvest.htm.