

# State of California Air Resources Board

## Board Item Summary

### Item # 24-1-2: Public Meeting to Consider Electrify America's Proposed Cycle 4 Zero Emission Vehicle Investment Plan

#### Staff Recommendation:

Staff recommends that the California Air Resources Board (CARB or Board) approve the proposed resolution regarding Electrify America's Cycle 4 Zero Emission Vehicle (ZEV) Investment Plan submitted to CARB pursuant to Appendix C of the 2.0-liter (2.0L) Partial Consent Decree.

#### Discussion:

Appendix C of the 2.0L Partial Consent Decree, the ZEV Investment Commitment, is one component of Volkswagen's (VW) settlement agreement with CARB resulting from the use of illegal defeat devices in VW's 2.0- and 3.0-liter diesel engines. The ZEV Investment Commitment requires VW to invest \$800 million in California over four consecutive 30-month periods to increase the availability and use of ZEVs. These investments are intended to support ZEV adoption and raise ZEV awareness in California through infrastructure projects, public awareness campaigns, and programs to promote access to ZEVs.

Electrify America, the subsidiary established by VW to implement the ZEV Investment Commitment, has developed its proposed Cycle 4 ZEV Investment Plan (Cycle 4 Plan) for the final 30-month period and submitted it to CARB on October 20, 2023. This Board item will summarize key provisions of the Cycle 4 Plan, will provide an assessment of how well the Plan aligns with the requirements of the 2.0L Partial Consent Decree, Senate Bill (SB) 92 (Committee on Budget and Fiscal Review, Chapter 26, Statutes of 2017), and Board Resolutions 17-23, 18-54, and 21-14. Staff will also provide their semi-annual update of Electrify America's progress implementing the ZEV investment plans for Cycles 1, 2, and 3.

#### Summary and Impacts:

Staff have assessed the Cycle 4 Plan and believe that it aligns with the requirements of the 2.0L Partial Consent Decree, Senate Bill 92 (Committee on Budget and Fiscal Review, Chapter 26, Statutes of 2017), and Board Resolutions 17-23, 18-54, and 21-14, with one exception, which Electrify America is remedying through an addendum to the plan. The staff report identifies the key requirements of the Consent Decree, SB 92, and Board Resolutions 17-23, 18-54, and 21-14, and summarizes how the proposed Cycle 4 Plan meets those

provisions. The proposed resolution summarizes the Cycle 4 Plan; finds that it meets the requirements of the Consent Decree, SB 92, and the applicable Board resolutions; identifies commitments it expects Electrify America to make in implementing the Cycle 4 Plan, consistent with those commitments it made for previous investment plans; and directs staff to ensure implementation is consistent with Appendix C and to report to the Board annually on Electrify America's progress.

The Board must approve or disapprove the Plan, either in whole or in part, via the resolution for this item. Electrify America has the option to reapply for approval of Plan elements that the Board disapproves in part. Electrify America will continue to provide quarterly project status updates and annual reports to CARB in accordance with Board resolutions 17-23, 18-54, and 21-14. A third-party auditor will also submit annual evaluations on Electrify America's spending for compliance with both the 2.0L Partial Consent Decree and the approved Cycle 4 Plan.