California New Car Dealers Association

July 26, 2024

California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

RE: Comments of the California New Car Dealers Association on the Advanced Clean Cars II Amendments Second Public Workshop

Dear Deputy Executive Officer Vergis:

The California New Car Dealers Association (CNCDA) is a statewide trade association that represents the interests of over 1,300 franchised new car and truck dealer members. CNCDA members are primarily engaged in the retail sale and lease of new and used motor vehicles, but also provide customers with parts, service, and automotive repair.

Thank you for the opportunity to submit written comments on the public workshop on the Proposed Amendments to Advanced Clean Cars II (ACC II) regulations. California's new car dealers are committed to supporting the state's transition to zero-emission vehicles (ZEVs) and cleaner combustion technologies. Dealers are at the forefront of the ZEV transition and are ready to help consumers navigate purchasing ZEVs and cleaner technologies that meet their transportation needs.

In response to the workshop on June 26, CNCDA would like to provide comments on a key issue that is at the forefront of consumer's minds when it comes to purchasing an electric vehicle (EV): easy access to reliable EV charging. Consumers continue to cite a lack of charging infrastructure as one of the key reasons they are hesitant to or will not purchase an EV, and even worse, bad consumer experiences with EV charging may mean that early adopters will move back towards combustion vehicles.[1]

CNCDA is encouraged that CARB is looking to require some interoperability standards, and we are supportive of the proposals that CARB put forward at the workshop. We also ask that CARB take a leadership role in ensuring that the deployment of new DC fast chargers do not unreasonably discriminate based on vehicle line-make, as a fractured network of DC fast chargers increases consumer range anxiety and undermines the state's clean energy goals. Finally, we support the continued inclusion of plug-in hybrid electric vehicles (PHEVs) in ACC II. We offer additional comments on these issues below.

[1] McKinsey Mobility Consumer Pulse (June 2024), available at: https://executivedigest.sapo.pt/wp-content/uploads/2024/06/Mobility-Consumer-Pulse-2024_Overview.pdf

California should pursue universal charging standards to allow consumers to access as many charging stations as possible

CNCDA envisions a future where EV charging is as universally accessible and convenient as filling up the gas tank today. This means that no matter the vehicle make or model, consumers should be able to access a charging station and have a seamless experience of plugging in the vehicle, beginning charging, and paying for the session. CNCDA supports CARB taking up interoperability standards for communications and payments and moving towards a broad "Plug and Charge" capability.

CNCDA supports CARB's proposal to require ISO 15118-2 and implementation of the Plug and Charge feature. At the workshop, it was disappointing to see CARB present the 2023 VOLTS Testing Event showing that ~20% of charging attempts failed, largely due to inconsistent communications standards. Adoption of ISO 15118 standard for vehicles will help to ensure that California moves towards additional interoperability between different vehicles and charging systems. For chargers, the California Energy Commission (CEC) is pursuing efforts to make EV supply equipment (EVSE) ISO 15118 ready. Both CARB and the CEC have discussed the need to ensure standard conformance testing to ensure consistent implementation of ISO 15118 software for chargers and vehicles, and we encourage both agencies to work together to ensure consistent implementation of standards in California.

CNCDA also supports CARB continuing to encourage the use of universal charging hardware in California. The split in adoption of the Combined Charging System (CCS) and the North American Charging Standard (NACS) for different car makes and models has led to the build out of two charging networks and the adoption of vehicles that may not be compatible with both networks. ACC II has previously adopted the requirement for vehicles to be equipped with an SAE J1772 / CCS charging inlet or adapter starting in MY 2026.[2] The federal government and CEC similarly require CCS capability for chargers funded using federal or state funds. At the same time, use of the SAE J3400 / NACS charging standard has gained popularity and additional automakers are planning to use this charging standard in the future. While CNCDA has no position on the charging standard that should be used, we encourage CARB, the CEC, and other agencies to continue down a path of advancing standard charging hardware in the state and beyond.

California should ensure that new DC fast chargers are broadly accessible and do not favor a specific brand

Achieving the goal of a truly interoperable EV charging network does not begin and end with the adoption of technical standards. California should also seek to eliminate barriers that prevent vehicles from chagrining based on a vehicle's brand (or line-make). A major obstacle to this has been Tesla's proprietary Supercharger Network, but significant announcements related to OEM adoption of NACS suggest that the Supercharger Network will be gradually opened to most line-make EVs.

[2] Amendments to Section 1962.3, Title 13, California Code of Regulations, available at: https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2022/accii/2acciifro1962.3.pdf

The gradual opening of the Tesla Supercharger Network to all vehicle brands is a critical development in the near- and medium- term to promote the continued adoption of EVs in California. Tesla's Supercharger Network is currently the gold-standard in reliability and availability, and concerns about the availability and reliability of public chargers is a major contributor to "range anxiety" that deters consumers from purchasing battery-electric vehicles (BEVs).

Since Tesla's Supercharger Network has (and continues to receive) substantial public funding in the form of grants and credits,[3] CARB should carefully monitor the continued public expansion of the Supercharger Network to ensure that key benchmarks are achieved and that certain brands do not receive unreasonable preferential treatment.

Hybrid vehicles are an important transitional technology, and any modifications to ACC II should consider them

CNCDA believes that plug-in hybrid electric vehicles (PHEVs) are critical to furthering the state's clean energy goals and satisfying the diverse needs of California's 39 million residents. CARB recognized the value of PHEVs by including them in ACC II, and CNCDA strongly supports their continued inclusion.

CNCDA produces quarterly "Auto Outlook" reports, which track the status of the California marketplace. We also regularly communicate with our individual dealer members on the status of vehicle inventory and consumer demand. Our most recent report covers the second calendar quarter of 2024 and shows a battery EV market share of roughly 21.4% in California, which is roughly flat year-over-year. Meanwhile, traditional gasoline electric hybrid vehicles have seen a substantial increase, and dealers report high consumer demand and limited inventory for such vehicles.[4]

In evaluating any changes to ACC II that will modify the mix of vehicles in California, CARB should carefully consider consumer demand and the diverse needs of California's many communities. Current demand for hybrid-electric vehicles demonstrates the continued need for transitional vehicles in California, as such vehicles confer significant air quality benefits versus traditional internal combustion vehicles and provide substantial consumer savings in reduced gasoline costs. PHEVs build on the flexibility of hybrid vehicles, while providing additional benefits associated with partial EV operation.

Conclusion

California's new car dealers are ready to work with CARB to support our state's air quality and climate goals. As more customers look to transition to EVs, these dealers are investing heavily in their

[3] Although public data is limited, California's Low Carbon Fuel Standard program alone generates billions of dollars annually, and Tesla's Supercharger Network is a substantial beneficiary of the program.
[4] California New Car Dealers Association, California Auto Outlook Report (Q2 2024), available at: https://www.cncda.org/news/california-new-car-dealers-association-releases-q2-2024-auto-outlook-report-2/

workforce and facilities, constructing new service bays and charging stations, and training staff on the unique needs of electric vehicles. We are ready to help and are "all in" on EVs and vital to the state's green energy transition.

Should you have any questions or comments about this letter or CNCDA's position, do not hesitate to contact me.

Sincerely,

Anthony Bento
Chief Legal Officer
California New Car Dealers Association