Nine-State Coalition Releases New Zero Emission Vehicle Action Plan

Renewed Multi-State Effort to Speed the Nation's Transition to Zero Emission Cars Builds on Earlier Action Plan

Boston, MA – June 20, 2018 – As the Trump Administration attempts to weaken federal greenhouse gas (GHG) and corporate average fuel economy standards for the nation's light duty vehicle fleet, nine Northeast and West Coast states today reaffirmed their strong commitment to a clean, low-carbon transportation sector with the release of a new Multi-State Zero Emission Vehicle (ZEV) Action Plan for 2018-2021 to support the successful implementation of the states' ZEV programs.

The Action Plan, which builds on the successes and lessons learned from implementation of an earlier 2014 ZEV Action Plan, presents 80 market-enabling action recommendations for states, automakers, dealers, utilities, charging and fueling companies and other key partners to rapidly accelerate mainstream consumer adoption of zero emission vehicles, including plug-in hybrid, battery electric and hydrogen fuel cell vehicles.

Release of the new Action Plan follows the 2017 expiration of the "travel" provision in the participating states' ZEV regulations, which allowed automakers to get compliance credit in Oregon and Northeast ZEV states for fully electric vehicles placed in California, and to use that credit to meet their ZEV obligations. Automakers are now required to deliver fully electric vehicles to meet specific sales goals in Oregon and the Northeast ZEV states for the first time. The new Action Plan also comes on the heels of announcements by two northeast utilities of planned major investments in northeast corridor charging infrastructure totaling more than \$500 million.

Background: The ZEV MOU and 2014 ZEV Action Plan

The updated ZEV Action Plan is the work of the Multi-State ZEV Task Force, which was formed in 2013 under a Memorandum of Understanding (MOU) signed by the Governors of California and seven other states that have adopted California's ZEV program – Connecticut, Maryland, Massachusetts, New York, Oregon, Rhode Island and Vermont. New Jersey became the ninth ZEV state to join the coalition when Governor Murphy signed the MOU in May. Together, the nine ZEV MOU states represent nearly 30 percent of the new car sales market in the United States.

The transportation sector is now the largest single source of GHG emissions across the nation and in the Task Force states. Light duty vehicles alone contribute almost 25 percent of total emissions. Transportation electrification is essential to deliver the deep reductions in emissions that are needed to meet state climate goals. The state ZEV programs, which require

automakers to deliver increasing numbers of zero emission vehicles between now and 2025, are a key strategy in state climate plans.

To support successful implementation of the ZEV programs, the MOU states committed to the collaborative development and implementation of the first 2014 Multi-State ZEV Action Plan.

Accomplishments

Many of the 2014 Action Plan recommendations have been successfully implemented or are under way. For example, Task Force states have:

- Enacted ZEV purchase and infrastructure incentive programs;
- Launched a first-ever jointly funded state/industry brand-neutral consumer outreach and education campaign;
- Established a state/dealership workgroup to foster collaboration with dealers;
- Opened public utility commission proceedings to consider utility and other transportation electrification programs; and
- Partnered with automakers on a "Collaboration for ZEV Success" to accelerate ZEV adoption.

A New Market Phase

The ZEV market is entering a new phase of development. In the four years since the release of the first ZEV Action Plan, the cumulative number of ZEV sales in the United States has grown from 200,000 cars to more than 750,000 cars today. Market changes and technology developments have laid a strong foundation for rapid growth of the emerging electric vehicle market. Battery costs are continuing to decline and the electric range of lower-cost battery electric vehicles is three times what it was in 2014. Consumers can now choose from more than 40 different plug-in and fuel cell models, and all the major automakers have announced plans to significantly expand electric vehicle offerings across multiple market segments in the next several years.

Key Action Plan Recommendations

While many of the recommendations in the 2014 Action Plan remain valid today, the new Action Plan represents a redoubling of state efforts to accelerate electrification of the light-duty vehicle market, and recognition of the important role that public-private partnerships involving the automakers, dealers, utilities and others play in the effort. Recommendations for states and other key partners in the updated Action Plan are focused on five priority areas:

Raising consumer awareness and interest in electric vehicle technology;

- Building out a reliable and convenient residential, workplace and public charging/fueling infrastructure network;
- Continuing and improving access to consumer purchase and non-financial incentives;
- Expanding public and private sector fleet adoption; and
- Supporting dealership efforts to increase ZEV sales.

Key recommendations in the five priority areas include:

Consumer Outreach

- Expanding investment by states, automakers, dealers, utilities and others in brandneutral consumer outreach and education initiatives, such as <u>Drive Change. Drive</u> <u>Electric</u>., the recently launched jointly-funded state/industry consumer outreach campaign; and
- Increasing automaker and dealer investment in brand-specific advertising and marketing activities.

Deployment of Infrastructure

- Opening public utility commission proceedings to consider effective utility deployment of charging infrastructure and beneficial electricity rate design;
- Expanding utility investment in charging infrastructure at multi-unit dwellings, workplaces and other underserved markets;
- Establishing high-level recognition programs for business leaders that commit to investments in workplace charging;
- Promoting public and private investment in charging infrastructure at airports, train stations, transit hubs, in metropolitan areas, along travel corridors and at destination locations;
- Establishing a multi-state hydrogen fuel cell workgroup to support the initial launch of hydrogen fuel cell vehicles beyond California; and
- Ensuring that consumers have open access to charging stations without restriction based on charging network membership or subscription.

Consumer Incentives

- Collaboration among the states and key partners to ensure continuation of the federal income tax credit for ZEV purchases and leases;
- Consideration of new state incentive and outreach programs to improve access to incentives by low- and moderate-income consumers, such as expanding incentives for used ZEVs; and

 Incorporation of incentive programs to promote ZEV adoption and commuting into private sector employee benefit programs.

Fleet Electrification

- Offering financial incentives to state and local government fleets for acquisition of ZEVs and charging/fueling infrastructure;
- Setting state fleet electrification goals, establishing procurement policies, and providing public and private fleet managers with access to analytical tools and data to support fleet electrification; and
- Increasing outreach to fleet managers to raise awareness of the benefits of adding ZEVs to fleets.

Dealerships

- Identification and adoption of best practices to overcome the unique challenges of selling electric vehicle technology that is new to most consumers; and
- Establishing recognition programs to showcase leading ZEV dealerships.

The full Multi-State ZEV Action Plan is accessible at: http://www.nescaum.org/documents/2018-zev-action-plan.pdf

Governors' Quotes

"These nine states, one-third of the nation's car market, will bring millions of clean cars to America's roads and highways," said **California Governor Edmund G. Brown Jr**.

"When it comes to taking aggressive steps to fend off the most damaging impacts of climate change, the Trump administration not only continues to bury its head in the sand, but is actively working to dismantle common sense efforts to reduce carbon pollution," said **Connecticut Governor Dannel P. Malloy**. "We will not let the federal government impede the progress we've made, including our multi-state collaboration that identifies a suite of successful programs to accelerate the adoption of electric vehicles in Connecticut and throughout the region, as we fine tune our blueprint for ensuring mainstream consumer acceptance of electric vehicle technology, which is key to driving down carbon pollution and meeting our long term air quality and climate goals."

"Despite the Trump Administration's attempts to roll back progress in lowering vehicle emissions, my Administration is committed to prioritizing and supporting clean, reliable transportation," said **New Jersey Governor Phil Murphy**. "We joined the Multi-State ZEV Task

Force this spring because we know that New Jersey will benefit from active collaboration with other states that are committed to clean transportation as we focus on accelerating ZEV expansion in the state. We look forward to bringing together our collective expertise and sharing information about model programs, success stories, and lessons learned with other Task Force states."

"With every action by the Trump administration to roll back proven emission standards, New York will continue to combat the damaging effects of climate change by aggressively pushing forward our nation leading energy and climate goals," said New York Governor Andrew M. Cuomo. "By partnering with our northeast neighbors, we will expand this fight by working together to increase charging infrastructure and electric vehicle use to decrease greenhouse gas emissions and create cleaner, greener communities throughout the state and across the northeast region."

"In Oregon, we recognize that how we get from one place to another matters," **Governor Kate Brown** said. "To drive a clean, green transportation system, I signed an executive order that puts 50,000 or more electric vehicles on Oregon's roads by 2020. To make ZEV ownership accessible to more Oregonians, I was also proud to sign into law a bill last year that offers low-income and working families a Charge Ahead rebate. These efforts, and partnerships with other states, are critical to combating the challenge of climate change and moving toward the economy of the future."

"Here in Rhode Island, we're committed to lowering our greenhouse gas emissions across all sectors, including transportation," said **Governor Gina M. Raimondo**. "We're expanding the use of clean transportation alternatives--we're bringing cutting-edge electric bus technology to Rhode Island, adding charging points throughout the State, and have set a goal to replace 25 percent of our State fleet with zero-emission vehicles. Rhode Island is a proud supporter of the ZEV Action Plan."

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