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ENSO - Support Letter - 26-TIRE-01

Please find attached ENSOâ€™s Support Letter for the Proposed Replacement Tire Energy Efficiency Program (Docket No. 26-TIRE-01)

Additional submitted attachment is included below.

June 9, 2026

Chair David Hochschild

California Energy Commission

715 P Street

Sacramento, CA 95814

RE: ENSO'S SUPPORT FOR THE PROPOSED REPLACEMENT TIRE EFFICIENCY PROGRAM (DOCKET NO. 26-TIRE-01)

Dear Chair Hochschild,

On behalf of ENSO, I write to express our strong support for the California Energy Commission's proposed Replacement Tire Efficiency Program.

ENSO is a tire company that engineers tires that help make vehicles go further for less, to help support the energy and environmental demands of electric vehicles (EVs). ENSO designs tires that extend EV range, lengthen service life, reduce tire-related microplastic pollution, and lower the per-mile cost of electric driving. Named a Finalist for The Earthshot Prize, founded by HRH Prince William, ENSO is now bringing its A/A-rated EV tire range to the United States through its Project America initiative. The ENSO executive team brings over 100 years of combined senior experience from the world's leading tire companies, including Goodyear, Continental, and Pirelli, with deep technical expertise in tire compound chemistry, construction, and the engineering of ultra-low rolling resistance tires without compromise to either safety or durability.

On these foundations, we believe the Commission's proposed rules are timely, well-calibrated, and long overdue.

Four points are worth emphasizing from our direct experience as a tire company:

1. **THE CEC'S COST ESTIMATES ARE REASONABLE, AND THESE RULES WILL NOT RAISE PRICES FOR CALIFORNIA CONSUMERS.** The technologies required to meet lower rolling-resistance (RRC) thresholds are mature, widely available, and already in mass production globally. They can be incorporated at low marginal cost and do not fundamentally increase the unit cost of a tire. The Commission's own estimates (roughly $1.50 per tire in Phase 1 and $6.50 per tire in Phase 2, against net savings of $79 and $153 per set respectively) align with this commercial reality. ENSO already sells high-performance, low-RRC tires at prices competitive with, and often below, comparable products from incumbent brands. If a small, independent tire company can deliver this profitably, the world's largest tire makers can certainly do the same.

2. **THE HISTORIC PERFORMANCE TRADEOFFS HAVE BEEN SOLVED: THESE TIRES ALREADY EXIST IN MATURE MARKETS.** For decades, the industry argued that lower rolling resistance had to come at the expense of wet grip or tread life. Modern compound chemistry and tire construction have largely eliminated that tradeoff: rolling resistance, wet-grip safety, and tread wear can now be advanced simultaneously. Tires meeting these higher standards have been on sale across mature markets (the European Union, the United Kingdom, Japan, China, and South Korea) for over a decade. California consumers are not being asked to wait for new technology; they are simply being given access to technology the rest of the world already has.

3. **IMPROVED ROLLING RESISTANCE DOES NOT COMPROMISE SAFETY OR TREAD WEAR.** Our direct experience confirms it: every tire in the ENSO range is engineered to meet or exceed the safety and durability standards California drivers expect, while delivering class-leading rolling resistance. This is a particular focus for us because electric vehicles, with their higher weight and instantaneous torque, can wear tires faster than internal-combustion vehicles, so we believe that durability cannot be a casualty of efficiency. We also welcome the proposed minimum wet-grip safety standard, which puts a clear floor under the regulation in the area that matters most to drivers: stopping distance in the wet. The Commission's own testing reinforces this point: rolling resistance and wet grip have been shown to be statistically independent across the tire population, and the small number of tires failing the proposed wet-grip threshold would also fail the Phase 2 rolling-resistance threshold. The rule therefore eliminates dual-fail tires rather than pushing the safety distribution downward.

4. **EFFICIENT TIRES MATTER EVEN MORE FOR EVS.** As California leads the national transition to EVs (home to roughly 40% of all US EV registrations and the highest density of Tesla Model 3 and Model Y vehicles in the country, the very platforms ENSO's tires are engineered for), ensuring that the replacement-tire aftermarket is genuinely energy-efficient is essential to delivering the consumer savings and environmental benefits that electrification promises. ENSO already sells tires rated A/A under the European tire-labeling system, the highest possible class for both rolling resistance (i.e. at or below 6.5 in ISO rolling resistance coefficient) and wet-grip safety, engineered specifically for EV applications, and offered at more affordable prices than comparable premium EV tires from major brands. Those same tires carry 7mm of tread depth (to our knowledge the deepest of any A/A-rated tire we have surveyed in the comparable size class) and a Uniform Tire Quality Grading (UTQG) treadwear grade of 400, placing them solidly within mainstream US aftermarket durability norms. Top-tier efficiency, top-tier wet-grip safety, and US-grade durability are not aspirational tradeoffs; they coexist in product on sale today. Through our strategic partnership with Uber, ENSO tires are already in service with EV rideshare drivers in London (a community uniquely exposed to high mileage, fast tire wear, and replacement costs), and the partnership will extend to Uber EV drivers in the United States later this year, bringing the same affordability and durability benefit to working Californians where it is most needed.[1]

[1] Uber Newsroom, "Uber and ENSO Launch Specially Discounted High-Performance EV Tyres for Drivers in London" (15 September 2025), https://www.uber.com/gb/en/newsroom/uber-and-enso-launch-specially-discounted-ev-tyres/

A NOTE ON THE CONCERNS RAISED IN THIS PROCEEDING.

We have read the industry comments submitted in opposition to the proposed rule and respect our colleagues' engagement on these issues. However, two empirical observations are worth offering for the record.

1. **ON COST AND DURABILITY: THE EVIDENCE POINTS THE OTHER WAY.** The argument that compliance must cost hundreds of dollars more per set conflates today's retail pricing of efficient tires with the underlying cost of producing them. Premium pricing in the current market reflects brand positioning and limited competition on efficiency, not the cost of the technology. ENSO's own product range demonstrates this directly: tires delivering Phase-2-equivalent rolling resistance are commercially available today at prices in line with, and often below, conventional alternatives. The Commission's cost methodology is itself industry-informed: it derives from prior US Department of Transportation and US Environmental Protection Agency rulemaking analyses developed with direct input from the largest US tire manufacturers. The suggestion that the cost estimates lack market grounding is therefore difficult to sustain. Likewise, claims of 20–25% tread-life reductions reflect older compound formulations rather than what modern chemistry now routinely delivers across the proposed Phase 2 range, particularly in tires engineered for EV applications, where durability cannot be sacrificed for efficiency. As ACEEE has also highlighted, independent testing supports this: Consumer Reports' evaluation of 51 all-season tires found that the most efficient tires had longer tread lifetimes than the less efficient ones, not shorter. As direct empirical evidence: ENSO's A/A range carries 7mm of tread depth (the deepest we have found in the A/A class in the comparable size) and a Uniform Tire Quality Grading (UTQG) treadwear grade of 400, demonstrating mainstream US aftermarket durability paired with top-tier European-label efficiency in the same tire.

2. **ON AFFORDABILITY: THE RULE PROTECTS THE HOUSEHOLDS MOST CITED AGAINST IT.** The working Californians most often cited in the affordability argument (lower-income drivers, rural residents, and those who must travel longer distances) are precisely the households that benefit most from a rule that lowers per-mile cost over the lifetime of the tire, because they spend a larger share of income on vehicle operating costs. As ACEEE has also highlighted, households earning less than 200% of the federal poverty level can spend upwards of 14% of their income on gasoline alone, roughly double what middle-income households spend.[2] The strongest protection for those drivers is, in our view, the combination of floor standards, clear labeling, and transparency that the Commission is proposing. Without these, consumers have neither the information nor the leverage to choose efficiency for themselves. A market without minimum standards does not deliver meaningful consumer choice; it delivers information asymmetry that benefits incumbent positioning over consumer outcomes.

[2] Shruti Vaidyanathan, Peter Huether, and Ben Jennings, *Understanding Transportation Energy Burdens* (American Council for an Energy-Efficient Economy, May 2021)

AN ADDITIONAL SUGGESTION: A VOLUNTARY CEC EFFICIENCY LABEL.

Beyond supporting the proposed regulation as drafted, we offer one constructive suggestion for the Commission's consideration: that the CEC authorize, but not require, tire manufacturers to display a standardized CEC tire-energy-efficiency label on their products. The CEC would publish a common label design, analogous to the well-established labels used in the European Union, Japan, and South Korea, and manufacturers wishing to evidence the efficiency of their tires could voluntarily apply it. To keep implementation as low-burden as possible, the CEC could design the label so it can be incorporated directly onto the existing manufacturer labels already applied to every new tire, avoiding the need for a separate or additional sticker, and reducing the cost of adoption to effectively zero.

This would be a low-cost addition that imposes no mandatory labeling burden on the wider US tire industry, but gives California consumers a clear, trustworthy visual signal at the point of sale and rewards the manufacturers, particularly innovators and EV-focused brands, who have invested in efficiency. Voluntary uptake by leading brands also tends to pull the wider market toward better disclosure over time, as has been the experience in other regulated markets.

The Commission's proposed program is clearly sensible, proportionate, and consumer-protective. Closing the efficiency gap between original-equipment and replacement tires (a gap that the CEC estimates is costing Californians nearly $1 billion a year) is overdue, and the proposed phased approach gives the industry a fair runway to comply. Adoption also contributes directly to California's existing climate trajectory under statutory climate goals, and to the transportation-sector reductions set out in CARB's Scoping Plan. Every additional year of delay is another year of higher costs for Californian drivers and missed progress against those commitments.

ENSO is committed to working with the Commission and the broader industry to implement these standards. We would also welcome the opportunity to share real-world rolling-resistance, wet-grip safety, and EV-durability data, compound and construction specifications, or any other technical information that may assist the Commission's staff as the rule is finalized and implemented. We thank the Chair and Commissioners for their leadership.

Respectfully,

Gunnlaugur Erlendsson

CEO, ENSO

cc:

Honorable Gavin Newsom, Governor, State of California

Wade Crowfoot, Secretary for Natural Resources, State of California

Nancy Skinner, Commissioner, California Energy Commission