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Volvo Group comments

Document submitted.

Additional submitted attachment is included below.

2024-10-21

Patty Monahan
Commissioner
California Energy Commission (CEC)
715 P Street
Sacramento, CA 95814

Re: Docket No. 24-ALT-01 – 2024-2025 Investment Plan Update for the Clean Transportation Program

Dear Patty,

Volvo Group North America (“Volvo”) welcomes the opportunity to provide comments to the California Energy Commission (“CEC”) regarding the proposed 2024-2025 Investment Plan for the Clean Transportation Program. We applaud the CEC for its vision and leadership in infrastructure planning for zero-emission (“ZE”) vehicles in California.

Volvo has spent years developing complete solutions for electromobility, and today – in North America – we are selling five configurations of the Volvo VNR Class 8 Electric¹ truck, the Mack LR Electric² waste hauler, the Mack MD Electric³ work truck, and five electric Volvo Construction Equipment models⁴. Volvo offers its perspective as an active participant in the ZE transportation sector, and as one of the nation’s leading providers of zero-emission infrastructure and transport solutions.

10-1-2024 Workshop Comments

The challenge ahead in meeting California’s ZE goals is well-documented and was reinforced at this workshop focused on the Energy Commission’s annual spending on transportation and fuels. The CEC’s presentations illustrated a significant shortfall in projected charging infrastructure deployments based on the agency’s own analysis. To meet the state’s ambitious transportation electrification goals and the California Air Resources Board (“CARB”) market acceleration timelines based on projections from CARB’s Advanced Clean Trucks (“ACT”) and Advanced Clean Fleets (“ACF”) regulations,

¹ <https://www.volvotrucks.us/trucks/vnr-electric/>

² <https://www.macktrucks.com/trucks/lr-series/lr-electric/>

³ <https://www.macktrucks.com/trucks/md-electric/>

⁴ <https://www.volvoce.com/global/en/our-offer/emobility/>

the state has calculated the charging infrastructure needed to support the ZE vehicle population. Additionally, South Coast Air District's Warehouse Indirect Source Rule and other imminent rules to counter stationary sources of emissions will drive up ZE vehicle population and thereby the need for charging infrastructure, especially in the South Coast basin.

This (transportation electrification or "TE") is a massive task, but one with great rewards for residents of California and beyond. As all of the stakeholders in this effort move forward toward our shared goal, the kind of forthright, detailed data collection and analysis that CEC has done to this point needs to be continued. In that way all parties can assess where the state stands on its TE pathway and realistically discuss any adjustments that may need to be made.

Light-Duty/Medium-Heavy-Duty (M/HD) Differentiation

We feel the need to reiterate a point we and others have made previously: There is a clear difference in the need and use of infrastructure for M/HD vehicles and light-duty vehicles. While home and workplace charging is typical for light-duty vehicles, there is not a mandate for consumers to buy these vehicles. Plentiful charging infrastructure is a positive incentive for light-duty EV sales, but it is not critical in the same way it is for M/HD vehicles.

Because of the ACF, M/HD vehicle owners must purchase ZE models in increasing numbers. For commercial vehicles, the majority of which are operated by small businesses and individual owner-operators, the existence of convenient, affordable public charging infrastructure is essential to operate their businesses. Without that infrastructure, it will be challenging for the regulation to deliver its intended results.

We are seeing more coordination between CARB and CEC on TE activities, and we applaud that. This is critical to infrastructure issues since a ZE truck is not functional without supporting charging/refueling infrastructure.

Related to this is the need for long-range planning, and certainty in infrastructure support. The ACF lays out an accelerated timeline of vehicle adoption that will need substantial state support for infrastructure to be successful. The projected future infrastructure funding is helpful, but the caveats undercut their value. Because there is not a reliable source of funding for future infrastructure support, it raises concern that this deficit can undercut future vehicle adoption. As was shown in the reduced budgets for California's vehicle and infrastructure support this year, the signal to the market is that state support for TE efforts is wavering. Without firm future commitments, it may present challenges for the ZE vehicle market going forward.

Hydrogen

While Volvo does not have commercially available hydrogen vehicles presently, it is actively working on bringing that technology to market. For that reason we support efforts by CEC and others to develop a refueling infrastructure that will be able to support those vehicles when they arrive in the marketplace.

Conclusion

Thank you for the opportunity to comment. We look forward to continuing our productive work with the CEC, other state agencies and stakeholders to support the transition to the cleanest transportation in the Golden State while ensuring all communities benefit, especially those overburdened by air pollution and other negative effects of freight movement.

We also would like to encourage the CEC's engagement with broad-based industry groups like Powering America's Commercial Transportation ("PACT") to gain further perspective on industry's plans and concerns on TE, especially the challenges on infrastructure needs.

Kind regards,



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About the Volvo Group

Volvo Group drives prosperity through transport and infrastructure solutions, offering trucks, buses, construction equipment, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Founded in 1927, the Volvo Group is committed to shaping the future landscape of sustainable transport and infrastructure solutions. The Volvo Group is

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headquartered in Gothenburg, Sweden, employs almost 100,000 people and serves customers in more than 190 markets. North America is a major market for the Volvo Group, employs more than 17,000 people, and operates 10 manufacturing and remanufacturing facilities in seven U.S. states, as well as three plants in Canada and one in Mexico.

In California, the Volvo Group and its dealers employ more than 1,000 people with locations in Costa Mesa, Mountain View, Corona, Hayward, Fontana, Stockton, Fresno and La Mirada. Volvo Group is in the process of training and certifying dealers to sell and service its electric products. Currently three dealers in California have been certified with more expected to be added soon.