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Docket Number:	19-IEPR-03
Project Title:	Electricity and Natural Gas Demand Forecast
TN #:	229444
Document Title:	Environmental Defense Fund Comments on Proposed Medium and Heavy-Duty Truck Forecast
Description:	N/A
Filer:	System
Organization:	Environmental Defense Fund
Submitter Role:	Public
Submission Date:	8/15/2019 12:15:16 PM
Docketed Date:	8/15/2019

*Comment Received From: Environmental Defense Fund
Submitted On: 8/15/2019
Docket Number: 19-IEPR-03*

Comments of Environmental Defense Fund on Proposed Medium and Heavy-Duty Truck Forecast

Additional submitted attachment is included below.

Date: August 15, 2019

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Environmental Defense Fund thanks you for the opportunity to comment on the IEPR Lead Commissioner Workshop on the Preliminary Transportation Energy Demand Forecast. EDF represents over 420,000 members in California. For over two decades, EDF has been a leader in reducing the environmental impact of medium-duty and heavy-duty vehicles. We have partnered with leading fleets, shippers and manufacturers to advance low-emission solutions.

Currently, we are focused on accelerating the adoption of zero-emission vehicles in the truck and bus sectors. Progress in this space will help California reach its greenhouse gas emissions reduction goals. Large ZEVs contribute to improved local air quality and yield positive health benefits in disadvantaged communities. With the right deployment of infrastructure and rate design, electrification of medium-duty and heavy-duty vehicles can also save operators money.

EDF has some concerns on the proposed Medium-Duty/Heavy-Duty Forecast. Specifically, EDF has been engaged in the California Air Resources Board rulemaking to create a Zero Emission Vehicles standard for truck manufacturers. CARB has proposed the following in its Proposed Draft Regulation for consideration at their December 2019 board meeting, to be adopted in early 2020.

Model Year	CLASS 2B-3*	Class 4-8**	Class 7-8 Tractors
2024	3%	7%	3%
2025	5%	9%	5%
2026	7%	11%	7%
2027	9%	13%	9%
2028	11%	24%	11%
2029	13%	37%	13%
2030	15%	50%	15%
* Excludes pickups until 2027 MY			
** Except Class 7-8 tractors			

Source: <https://ww2.arb.ca.gov/sites/default/files/2019-08/190821draftregmanu.pdf>, page 6

EDF believes that CARB's rulemaking has a high chance of success. The IEPR forecast should recognize the CARB plan and the potential for even greater sales levels. This type of interagency coordination will be critical. However, if for some reason the CEC considers that number to be too tenuous to include, because the rule has not been formally adopted, EDF suggests that the CEC should revise its forecast as soon as practical.

The CEC's preliminary forecast of demand, as presented in the PowerPoint document "2019 IEPR Preliminary Medium- and Heavy-duty Vehicle Forecast" ("the Preliminary Forecast"), uses the CARB plan as a "high" scenario. EDF contends that this is a false sense of caution, that CEC should assume the targets set out in CARB's regulations will be met, and those percentages should be presented as the "mid"- scenario.

For example, on page 21 of the Preliminary Forecast, what is currently considered the high-case is that there will a 12% "Market Share of New Truck Sales In-State Class 8 Tractor-trailer." Indeed, as shown in the table above, CARB plans to require a 15% market share of sales of these same trucks. Similarly, on page 22 of the Preliminary Forecast, the "Incentivized Battery Electric Truck Stock," the high-case scenario is set at 25,000 trucks and the mid-case at 10,000 trucks, while CARB proposes something more in line with the high as the requirement for truck sales to be sold per year.

EDF believes that before the CEC adopt a final forecast that these discrepancies between the Preliminary Forecast and CARB's proposed rule should be reconciled. We encourage the CEC to adopt CARB's rule as the "mid" case, which would allow for higher success and some chance for lower. This will help California figure out how to meet its goal of increasing the numbers of medium and heavy duty EVs without causing grid strain or relying on excess grid build out, enabling it to lower pollution both at the power plant and at the tailpipe.

EDF thanks you very much for your consideration of these comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lauren Navarro", with a long horizontal flourish extending to the right.

Lauren Navarro
Senior Policy Manager, California Energy Program
Environmental Defense Fund