

July 1, 2022

New York State Climate Action Council
c/o NYSERDA President Doreen Harris
NYS Department of Environmental Conservation Commissioner Basil Seggos

Re: Public Comment on the Draft Scoping Plan

Dear Climate Action Council:

The Truck and Engine Manufacturers Association (EMA) appreciates the opportunity to submit comments regarding the Draft Scoping Plan, prepared by the New York State Climate Action Council (the Council), which is intended to provide an initial framework for the State to reduce greenhouse gas emissions and achieve net-zero emissions.

EMA represents the world's leading manufacturers of medium-duty (MD) and heavy-duty (HD) on-highway trucks and engines. EMA member companies design and manufacture highly-customized vehicles to perform a wide variety of commercial functions, including interstate trucking, regional freight shipping, local parcel pickup and delivery, refuse hauling, and construction – to name a few. EMA member companies are investing billions of dollars to develop MD and HD zero emission vehicles (ZEVs), and fully support expanding the market in New York for those ZEVs.

As a threshold matter, EMA and its members agree that ZEVs are and need to be the future of the commercial trucking industry. Further, we concur with the Council, as reflected in the Draft Scoping Plan, that “[a]chieving the aggressive transition [to ZEV trucks, buses and non-road equipment]...will require a mix of regulations, incentives (which will require identifying new sources of funding), and removal of market barriers and depends on industry greatly accelerating the expansion of production capacity for these vehicles.”

However, we also urge New York State to support national solutions, and not just to rely on a state-approach which is expensive and impractical toward achieving meaningful greenhouse gas emission (GHG) reductions.

Draft Scoping Plan Strategy

The Draft Scoping Plan proposes a strategy comprised of: (i) adoption of California's Advanced Clean Trucks regulations; (ii) providing enhanced ZEV purchase incentives; (iii) establishing procurement targets for the State fleet; (iv) requiring ZEV equipment use for State contractors and at targeted facilities; and, (v) investing in ZEV charging or fueling infrastructure. Again, we conceptually agree with most components of the strategy, but we strongly believe they must be coordinated and sequenced if the desired objective of a successful transition to ZEVs is to

be realized. Importantly, there must be a thoughtful and data-driven understanding of the needs before the components may be implemented, and we urge New York State to develop a plan with the input from EMA and others that charts a clear and achievable path to reduce GHG emissions.

A critical step in that planning process will require that the State undertake the necessary technical and economic research to:

- Determine the level of incentives needed to overcome the financial barriers to purchasing ZEVs and converting commercial fleets to zero emissions.
- Identify the funding and other potential impediments to building out the necessary electric charging/hydrogen fueling infrastructure.
- Assess the optimal commercial vehicle market segments most suitable for the near-term deployment of ZEVs; properly prioritize and allocate resources for early deployment in those market segments; and establish reasonable pathways to the broader adoption of commercial ZEVs.
- Determine the optimal long-term ZEV power source for each commercial vehicle market segment and the corresponding infrastructure needs (*i.e.*, electricity and/or hydrogen), including generation and storage.

Beyond this necessary planning and research, EMA urges the Council to consider our comments related to the specific components of its ZEV truck, bus and non-road equipment strategy.

Adopt California’s Advanced Clean Trucks Regulations. New York State adopted the Advanced Clean Trucks (ACT) Rule earlier this year *notwithstanding* a broad industry request that the State should delay such adoption for a limited time, as the Biden Administration considers the nationwide Clean Trucks Plan and while New York pursues the necessary incentives and infrastructure for ZEV-trucks, as is proposed in the Council’s Draft Scoping Plan. The State’s adoption of the ACT Rule also contravened the State Legislature’s approach to this complicated issue, pursuant to Chapter 423 of the Laws of 2021. The new law calls for the conversion of New York’s trucking fleet to ZEVs by 2045, but also directs the New York State Department of Environmental Conservation (DEC), in consultation with other State agencies, to use the next 1-2 years to prepare the necessary market-development, incentive and infrastructure-funding strategies to achieve the bill’s ZEV-truck targets. Notably, this approach is similar to that of the Council’s Transportation Advisory Panel – that the DEC should take 1-2 years to consider and adopt coordinated regulations to ensure that the necessary incentives and infrastructure for ZEV-trucks are in place.

We continue to urge the State to delay implementation of the ACT Rule for those reasons, as well as the legitimate concern that its premature adoption will hinder, not promote, the emerging market for commercial ZEVs - and so will work to undermine the air quality and climate change benefits it purports to advance. Imposing ZEV truck sales mandates while the State has no realistic

plan to incentivize ZEV truck purchases and to support ZEV truck use, will signal to the relevant industries – manufacturers, dealers, purchasers - and the general public that the State is not taking the necessary time to implement a viable ZEV truck strategy. Without a coordinated strategy, trucking fleets will be less likely to purchase ZEV trucks for the foreseeable future. That result is the exact opposite of our shared objective to accelerate the deployment of ZEV trucks, and will undermine the deployment of ZEV trucks in New York State.

Provide Enhanced ZEV Purchase Incentives. Compared to conventionally-fueled trucks, ZEV trucks currently have purchase prices that are 2-to-3 times higher. It is essential that New York determine the level of incentives needed to overcome the financial barriers to purchasing ZEVs and converting commercial fleets to zero emissions, and to adjust those incentives accordingly.

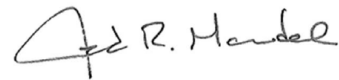
Establish Procurement Targets for the State Fleet. Earlier this year, the New York State Legislature passed S.2838-C/A.2412-B, which would require State government to purchase or lease zero emission vehicles for its state fleet such that an increasing percentage of state agency vehicle fleets are comprised of ZEVs by 2026 and 2031 - with all state vehicles being zero emission by 2036. While Governor Hochul has not yet acted on the bill, if it were to be enacted into law, it would increase demand for ZEV trucks and other vehicles. We support State leadership in converting its fleet to ZEVs, as it is an important example. We do want those purchases to be effective, and this too requires a plan and commitment to install adequate ZEV charging and fueling infrastructure that can be used by the State fleet, and possibly by private users.

Require ZEV Equipment Use for State Contractors and at Targeted Facilities. Contractors and facilities are our “customers,” and we support their purchase and use of ZEV trucks. Customer satisfaction is a priority for us, however, and we would oppose any mandate on ZEV truck use if, as discussed above, incentives and charging infrastructure are insufficient to support the purchase and use of such vehicles.

Invest in ZEV Charging or Fueling Infrastructure. EMA supports the provision of adequate rebates and direct investments in MD and HD ZEV charging stations throughout New York State. New York currently lacks the charging and refueling infrastructure necessary for ZEV trucks to operate. The State will need to make significant investments to install and maintain the necessary ZEV-charging and refueling infrastructure that is currently nonexistent, and will need to coordinate a substantial reconfiguration of the electric grid to ensure power is available to meet the increased demand throughout the regions where ZEV trucks will be in operation. While New York is investing in, and has a long-term plan for, light-duty vehicle charging infrastructure, that envisioned build-out is vastly different from the necessary heavy-duty vehicle charging infrastructure, and the two cannot service both types of vehicles. Investing in and ensuring a comprehensive charging station network throughout the state is a vital precondition to any other mandates related to MD and HD ZEV vehicles.

EMA and its members support New York State's efforts, including many of those reflected in the Draft Scoping Plan, to encourage the transition to a ZEV future. We remain concerned, however, that without a plan developed in cooperation with the manufacturing industry, ZEV truck users and others, along with sufficient ZEV purchase incentives and ZEV charging infrastructure, that the transition will fail and will undermine confidence in ZEV trucks to the detriment of our shared goals to reduce GHG emissions and to reverse the impacts attributable to climate change. EMA urges the Scoping Plan to address these concerns in its final recommendations.

Very truly yours,



Jed R. Mandel
President