

**NESCAUM**  
**Northeast States for Coordinated Air Use Management**

**Request for Comments on the  
NESCAUM Multi-State MHD ZEV  
Action Plan**

)  
)  
)  
)  
)

**Comment Deadline:  
May 9, 2022**

**COMMENTS OF**  
**PARTNERS FOR A ZERO EMISSION VEHICLE FUTURE**

April 30, 2022

Richard VanOrnum

Partners for a Zero Emission Vehicle Future

[info@pzevf.org](mailto:info@pzevf.org)

**NESCAUM**  
**Northeast States for Coordinated Air Use Management**

<b>Request for Comments on the</b>	)	<b>Comment Deadline:</b>
<b>NESCAUM Multi-State MHD ZEV</b>	)	<b>May 9, 2022</b>
<b>Action Plan</b>	)	

**Introduction**

The Partners for a Zero Emission Vehicle Future (PZEVF) appreciates the opportunity to submit comments regarding NESCAUM’s “Multi-State MHD ZEV Action Plan” (or “Action Plan”). PZEVF is a growing coalition of stakeholders from across the transportation sector united by a commitment to minimize transportation emissions and support the adoption of medium- and heavy-duty zero-emission vehicles.

NESCAUM’s Action Plan seeks, among other things, to accelerate the deployment of medium-duty (MD) and heavy-duty (HD) zero-emission vehicles (ZEVs) in state signatories of the Memorandum of Understanding (MOU). As the Action Plan states, the time for bold action is now. Electrifying medium and heavy-duty trucks has the potential to significantly reduce greenhouse gas emissions, improving our communities’ air quality and introducing major economic and social benefits.

We are fully aligned with this goal, appreciate the Plan’s thorough approach to identifying the key barriers and opportunities for successfully transitioning to ZEVs, and respectfully offer the following considerations.

**Initial Considerations for ACT Adoption**

Our coalition maintains that state-specific sales mandates, such as the ACT Rule, while well-intentioned, are not well-suited to nationwide ZEV deployment, and may work to hinder, not accelerate, the deployment of ZEV trucks. Rather than a standalone sales mandate, we need a nationwide strategy and significant federal and state funding programs together with other policies supporting infrastructure readiness as part of a larger effort to address climate change.

Compared to conventionally fueled trucks, ZEV trucks currently have purchase prices that are 2-to-3 times higher than their diesel equivalents. The Action Plan rightly acknowledges the rapid technological advancements in the ZEV market that will eventually reduce costs, but an adoption of ACT regulations in the current market environment still comes with significant up-front cost barriers for ZEV purchases. This is particularly relevant for smaller fleets with limited capital resources and lower profit margins who would be significantly impacted by ACT requirements.

Unlike the case of consumers purchasing light duty vehicles, heavy-duty fleets evaluate and purchase commercial vehicles based mainly on the certainty of a return on investment and total cost of ownership. Today’s vehicle and battery prices, together with the uncertainty of electricity charging costs, charging structure buildout, and vehicle residual values makes users extremely hesitant to move to new technologies.

In order for states to make their transition to ZEVs successful, we believe several key considerations are critical -- building fleet confidence by aligning investments and incentives to the goals set out by the ACT, and ensuring that the public sector, utilities and other stakeholders are held accountable to building an ecosystem which will support the ZEV transition.

### **Aligning Investments and Incentives to the ACT**

We support and appreciate the Action Plan's call for public funding of vehicle purchase incentives and rebate programs. Up-front and sustained funding commitments are necessary to achieve the Action Plan's goals. Without thorough public financial support, the opt-in recommendations are unlikely to facilitate a successful transition to ZEVs in the region.

California, even before the implementation of the ACT Rule, recognized that it needed to invest significant capital to ensure that fleet operators successfully transitioned to ZEVs. The state is dedicating \$10 billion from budgets over the last two years for support of electric vehicle related initiatives. In addition, California's HVIP program has been in existence for more than 10 years, funding more than 7,000 advanced technology vehicles, and the state intends to dedicate hundreds of millions of dollars more in the coming years.

States adopting California's Advanced Clean Truck Regulation will also need to make significant investments to install and maintain the necessary heavy-duty ZEV-charging and refueling infrastructure that is virtually nonexistent today. Charging stations are expensive (costing more than \$350,000) and must be located at fleet terminals and other depots where trucks are typically parked, and as noted, developing that infrastructure will be complicated and time-consuming. Moreover, fleets will need to expand the charging infrastructure over time if they plan to deploy additional battery-electric trucks.

Since it may take 24 to 48 months from concept to having a fully functional and grid-integrated charging station in place, NESCAUM is correct in identifying a primary near-term objective of providing sufficient long-term public funding to incentivize and assist in the development of a sufficiently widespread charging infrastructure to enable the deployment of battery-electric commercial vehicles. States will also need investment mechanisms and programs to reconcile the time gaps between getting ZEVs on the road and the much longer time period for deploying the charging infrastructure that will power them.

### **Shared Responsibility for Success**

While OEMs play a crucial role in ZEV adoption, successful transition to a zero-emissions trucking sector will require coordination and support of a network of stakeholders. The Action Plan is right to note that in addition to OEMs, utilities and utility regulators will play a central role in supporting the electric grid's resiliency and ensure power is available to meet the increased demand throughout the regions where ZEV trucks will be in operation.

It is not enough to simply place the burden of ZEV delivery on OEMs -- state plans must support ZEV deployment by ensuring that charging technology providers, utility regulators, and other stakeholders play their part in ensuring success in transitioning to ZEVs. States should implement enforceable and clear regulations to adequately support fleets that adopt ZEVs.

On top of vehicle deployment, states that sign on to the MOU must develop charging infrastructure that is affordable, resilient, and reliable. While current state investment plans focus on depot and port charging infrastructure, public charging stations are crucial for ZEVs to be

operational and accessible, especially in periods when it is crucial to get shipments to the public. Redundancies and backup charging infrastructure will be crucial for ensuring that ZEVS can get critical supplies to the public.

Further, a major hurdle to broad electric grid expansions is the utility industry's system of capacity buildouts, which mostly operate as one-off investments to meet proven customer demands. Utility regulators should encourage and develop a mechanism for investment prior to a customer request to support large investments in new capacity so that ZEV deployment does not outpace the development of grid systems to support them. Utility operators should then be empowered to make these upfront investments to meet the growing demand for electric capacity generated by ZEVs.

### **The Path Forward**

We recognize our role in accelerating the deployment of zero-emission fleets in MOU states and are fully committed to working with NESCAUM states, utility regulators, charging infrastructure developers, and other stakeholders to make the ZEV transition a success. To that end, we offer the following recommendations:

1. States should introduce long-term incentives and funding mechanisms to facilitate ZEV adoption and align these programs with the on-the-ground needs for ZEV operators to meet opt-in requirements.
2. States should invest in public charging infrastructure and develop regulations to ensure that this infrastructure remains reliable, accessible, and consistently priced.
3. Utility regulators should be required to assess existing grid capacity based on current ZEV deployments and expected fleet expansions.
4. States should change utility regulations to allow electricity operators to make upfront investments to meet expected grid capacity demand by ZEVs.

We believe that the Action Plan's recommendations are a step in the right direction for MOU states to incentive and facilitate ZEV adoption. We stand ready to partner with NESCAUM toward that goal.

Respectfully Submitted,

#### Partners for a Zero Emission Vehicle Future

*American Truck Dealers*

*New Jersey Coalition of Automotive  
Retailers*

*American Trucking Associations*

*New Jersey Business & Industry  
Association*

*Cleanfleets.net*

*Daimler Trucks North America*

*Navistar*

*PACCAR*

*New Jersey Gasoline, C-Store,  
Automotive Association*

*Trucking and Engine Manufacturers  
Association*

*Truck Renting and Leasing Association*

*Volvo Group North America*