

November 4, 2021

Department of Ecology State of Washington P.O. Box 47600 Olympia, WA 98504-7600

Re: Coltura Comments on Incentives in Clean Fuel Standard Rules

Dear Debebe Dererie,

Thank you for the opportunity to provide comments on rules pertaining to the Clean Fuel Standard (Chapter 173-424 WAC).

Coltura is a Washington State based nonprofit working to accelerate the transition from gasoline to cleaner alternatives. Our comments focus on investment opportunities in electric vehicle purchase incentives. We provide the following suggestions to improve the investment plan:

1. Revise EV incentives to maximize gasoline displacement per dollar spent

Efficient spending on EV incentives means ensuring maximum gasoline displacement per dollar of Clean Fuel revenue spent, in accordance with the purposes of the law.

The present design of Washington EV incentives do not ensure maximum gasoline displacement per dollar. EV incentive amounts are the same for a bicyclist burning no gasoline as they are for a tradesperson in an inefficient vehicle burning 1,500 gallons of gas a year.

HOW MUCH GASOLINE IS SAVED WITH AN EV?





In a climate crisis, with gasoline as the biggest source of carbon emissions, this needs to change. EV incentives should be tied to gasoline consumption and designed to get the biggest users of gasoline to switch to EVs first.

2. Revise EV incentives to get drivers burning the most gasoline to switch to an EV first

We urge the Department of Ecology to draft EV incentive rules in connection with the Clean Fuels rulemaking to focus on getting the drivers burning the most gasoline to switch to EVs first. Doing so will reduce emissions more efficiently AND will do a better job of advancing equity in the transition to EVs.

Coltura has issued a <u>report</u> about the drivers in the top 10% in terms of gasoline consumption ("gasoline superusers"), some highlights of which are incorporated in these comments.

Getting the biggest gasoline users to switch to an EV first could be achieved by **tying the incentive amount to the driver's past annual average gasoline use**. The more gasoline a driver is burning, the bigger the incentive. For instance, an incentive of \$10/average annual gallon of gasoline burned would give a truck driver burning 1,000 gallons a year \$10,000 to switch to an EV. A Prius driver with a short commute burning 40 gallons of gas a year would get a \$400 incentive.

The incentive amount would be easy to calculate from the odometer reading when the driver acquired the vehicle - data which is kept by the Department of Licensing and can also be obtained through services like Carfax.

How the Gasoline Displacement Incentive Could Work



Dealer calculates incentive amount: Average annual gallons x \$10/gallon incentive.

> Dealer calculates average annual gallons used:

Current odometer reading - odometer reading at time of purchase = total miles driven. Mileage ÷ EPA MPG rating = total gallons. Total gallons ÷ years owned = average annual gallons. Dealer takes possession of trade-in and notifies driver of incentive amount.



Driver purchases a replacement EV within 30 days of trade-in to receive incentive payment on new EV.

3. Advance equity by giving biggest EV incentives to biggest gasoline users

Data from the 2017 National Household Travel Survey indicates that current drivers taking advantage of current EV incentives tend to have high incomes. In contrast, the top 10% of gasoline users ("gasoline superusers") mirror the income allocation of the general public, with most of them in low to middle income levels. Thus, reforming EV incentives by tying the amount of the incentive to past gasoline use would provide bigger incentives to lower and middle income drivers - advancing equity while maximizing the climate benefit of each dollar spent.



Household Income Distribution

Source: 2017 National Household Travel Survey, Coltura analysis

Low-income drivers who use the most gasoline would also realize enormous savings on fuel if they received a big enough incentive to get them to switch to an EV. Gasoline expenditures for the biggest gasoline users can comprise up to a third of low-income household earnings.



Gasoline Costs Burden Lower-Income Superusers

Additionally, the rules could provide an extra incentive for lower-income drivers and/or drivers in disadvantaged communities. For instance, if the general EV incentive were \$10 per average annual gallon of gasoline burned, the rules could increase the incentive to \$15 per average annual gallon burned for drivers or households below a certain income level.

4. Dedicate funding for additional policies to incentivize biggest gasoline users to switch to EVs

More research is needed into the biggest users of gasoline about where they live, what they drive, why they use so much gasoline, their driving habits, and what it would take to get them to switch to EVs. We urge Ecology to fund further study and focus groups of big gasoline users. Funding will also be needed to site public fast charging where gasoline superusers need it, and to educate gasoline superusers about EV incentives.

In sum, Washington should seize its opportunity to reform EV incentives to maximize both emissions reductions and equity.

Respectfully,

COLTURA

/s/ Matthew N. Metz

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