



Elena Guilfoil
Department of Ecology
Air Quality Program
P.O. Box 47600
Olympia, WA 98504-7600

RE: Rulemaking for Chapter 173-423 WAC, Clean Vehicles Program

Dear Ms. Guilfoil:

We are writing on behalf of Washington State Auto Dealers Association (WSADA), which represents all of the state's 295 franchised new car and truck dealers, who in turn hold over 500 franchises located throughout the state. Franchised new car and truck dealers are excited about the integral role they will play in helping the state achieve its goal of all-EV sales by 2030.

WSADA appreciates the Department of Ecology's previous work on the adopting the California Zero Emission Vehicle (ZEV) program, and the work that lays ahead. In light of current manufacturer practices, we also appreciate Ecology's willingness to re-examine its decision against adopting early action credits, particularly because we believe a revision will increase the number of EV models available to Washington consumers and speed overall adoption of the technology.

We strongly urge Ecology to use this rulemaking to adopt an early action credit system under Chapter 173-423.

Under an early credit program, automakers would earn credits prior to the full implementation of Washington's ZEV program, which would generate a number of benefits. The state already has an impressive ZEV adoption rate. According to the Alliance for Automotive Innovation¹, Washington has the third highest number of Battery Electric Vehicle total sales and is also third in market share. However, current market conditions make it clear the state would not be reducing future EV sales by adopting early action credits, and would generate a number of secondary benefits that would lead to faster overall adoption of the technology by the average Washington driver.

¹ <https://www.autosinnovate.org/resources/electric-vehicle-sales-dashboard>

New vehicle availability

While Washington's ZEV adoption rate is high, there are manufacturers that currently will not deliver certain ZEV models to Washington dealerships because they will not receive ZEV credits. For example, Hyundai will not deliver the Kona EV and Toyota dealers have been informed they will not receive the upcoming all-electric bZ4X when it releases later this year. Dealers also report that even when manufacturers will deliver ZEVs, they have informally notified dealers they are throttling Washington allocations because of the lack of credits.

Providing early action credits would accelerate the availability of a variety of ZEV models in the state by incentivizing manufacturers to deliver them to dealerships prior to Model Year 2025.

In addition, new vehicles are in extremely limited supply due to supply chain problems and chip shortages caused by the pandemic, and that will continue for the foreseeable future. Essentially every vehicle produced and delivered in Washington arrives pre-sold, often months in advance. Encouraging manufacturers to ensure more of the vehicles actually delivered are eligible for ZEV credits will improve overall ZEV market share.

Downstream benefits

Increasing the number of ZEVs available and purchased in Washington has multiple downstream benefits as well. It creates pressure to build EV infrastructure in both the public and private sector, creates advocates out of consumers and helps word-of-mouth promotion, and increases visibility for non-ZEV drivers.

In addition, it benefits purchasers of used ZEVs by increasing inventory as ZEV drivers purchase and sell their vehicles. Currently, the most affordable new ZEV available is the Nissan LEAF, which starts at \$27,400 MSRP, while a 2012 used model with 50,000 miles retails for just \$5,825.² The sooner more new ZEVs are sold, the sooner used vehicles will become available to working families and lower the subsequent cost.

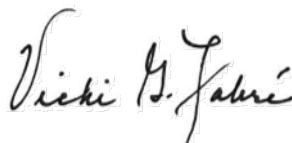
Retroactivity

Finally, WSADA recommends that Ecology make early action credits retroactive and clearly indicate its intent to do so throughout the rulemaking process. Doing so will help encourage manufacturers to begin delivering qualifying vehicles as soon as possible.

Sincerely,



Dan Wilder, Jr
WSADA President



Vicki Giles Fabré
WSADA Executive Vice President

² <https://www.nadaguides.com/Cars/2012/Nissan/Leaf-Electric/Hatchback-5D-SL/Values>