

Rivian

Please see attached updated comment letter.



June 21, 2022

ELECTRONIC MAIL TO: The Washington Department of Ecology

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

Re: Updated Comments on ZEV Credit Options For Advanced Clean Cars II and Early Action Credits in Washington's Current Program

Rivian Automotive, LLC ("Rivian") appreciates the opportunity to update our comments on the options that Washington Department of Ecology ("Ecology") is considering to smooth banked credit reliance in the early years of Advanced Clean Cars II ("ACC II"). We fully support the stated policy goals of providing an incentive for zero-emission vehicle ("ZEV") deliveries to Washington before model year 2025, supporting automakers that have invested in ZEV technology, preventing the reward of one automaker at the expense of another, maximizing ZEV adoption, and maximizing emission reductions. Rivian agrees with Ecology that early action credits can facilitate achievement of all of these goals. To the extent that concerns arise regarding the need to maintain identical provisions with California, Rivian would support early action credits only in 2023 and deference to ACC2 credit-earning mechanisms thereafter.

Keeping the World Adventurous Forever

Founded in 2009, Rivian is an independent automotive company headquartered in California. With over 12,000 employees across the globe, it's Rivian's mission to Keep the World Adventurous Forever. Rivian's focus is the design, development, manufacture, and distribution of all-electric adventure vehicles, specifically pickups, sport utility vehicles, and commercial vans. Key to the success of our mission, these vehicles will displace some of the most polluting passenger vehicles on the road today. Rivian is building a charging network of DC fast and Level-2 chargers across the nation, including sites in Washington and at state and national parks. Rivian also maintains a physical presence in Washington at our customer-facing service center in Bellevue.

Our vehicles have already made their way to Washington roads. Rivian brought the first electric truck to market last year when we launched the R1T pickup from our manufacturing facility in Normal, Illinois, followed shortly thereafter by the R1S SUV and a commercial fleet electric delivery van for Amazon. The R1T and R1S provide all-electric options in segments where added utility is a necessity. As Medium-Duty Passenger Vehicles ("MDPVs"), the R1T and R1S can optionally earn credits under either Advanced Clean Cars or Advanced Clean Trucks. As Class 2b/3 vehicles, our fleet offerings have this same flexibility.

Early Action Credits Are the Only Proposed Option Which Achieves All of Ecology's Stated Policy Goals

As a member of the Zero Emission Transportation Association ("ZETA"), Rivian believes that 100% ZEV sales by 2030 is a necessary and achievable target. We welcome the State of Washington becoming the first state in the country to articulate the same goal for its transportation sector with the passage of the "Move Ahead Washington" transportation funding package. Accordingly, we applaud Washington's goal to incentivize



electrification in the near term and support the proposed use of early action credits in model years 2023 and 2024 to do so (Option 4). Early action credits are the only proposed policy which incentivizes automakers to make ZEV deliveries in Washington prior to 2025, and, given the full suite of program changes proposed in ACC II, we do not believe that any provisions beyond these credits are necessary. To the extent that concerns arise regarding the need to maintain identical provisions with California, Rivian would also support early action credits only in 2023 and deference to ACC2 credit-earning mechanisms thereafter.

Ecology should not impose additional limitations on early ZEV credits. California Air Resources Board (“CARB”) already proposed program elements which will both discount and limit the use of credits earned prior to 2025. Since the early action credits proposed under Option 4 will be restricted under ACC II as “historical credits,” we believe additional limitations on early action credits imposed by Washington state would be redundant. Rivian recommends that Ecology adopt Option 4 without additional early credit limitations.

Option 4, with early credits and the provisions in CARB’s ACC II proposal, already contains plenty of compliance flexibility. CARB proposed two types of new environmental justice credits, which can count toward the ZEV obligation, as well as a capped pooling allotment which enables manufacturers to smooth their ZEV deliveries across states for several years. Rivian is concerned that additional flexibilities beyond these ACC II design elements – such as proportional credits – would only serve to weaken the program, rather than support Washington’s policy goals. Rivian asks that Ecology adopt Option 4 without additional flexibilities that would reduce the benefits of the ZEV program in Washington.

Ecology should move forward with Option 4, which allows for early credits but not proportional credits. While both proportional credits and early action credits reward automakers which have invested in ZEV technology, only early action credits support the goal of maximizing emissions reductions and maximizing the number of ZEVs in Washington. Under the proportional credit scheme, emissions reductions per credit decreases because the credits assigned in Washington are not removed from the California banks. In this way, we view proportional credits as a “double-counting” of the same avoided emissions, and an outsourcing of the actual emissions reductions to California. Crediting automakers for emissions reduced elsewhere would do a disservice both to Washington’s own efforts to reduce GHG emissions attributable to in-state activities, as well as communities across the state that bear the burden of air pollution emitted by passenger vehicles. Rivian recommends that Ecology adopt early credits and not proportional credits since only early credits represent actual emissions reductions in Washington.

Proportional credits reward manufacturers that prioritized ZEV sales to California over Washington. While Rivian appreciates that Ecology’s intention is to make up for ZEVs sold in Washington before adoption of the ZEV mandate, we caution that proportional credit allotments are an insufficient proxy for retroactively crediting ZEV deliveries in the state. By offering credits for vehicles delivered elsewhere, proportional credits could reward automakers who prioritized California over Washington for ZEV sales at the expense of automakers who delivered to Washington despite the lack of credit opportunity. This actively works against Ecology’s stated policy goals. The imprecise rewards structure is inherent to proportional crediting schemes and Rivian has consistently voiced concern about these frameworks wherever they have been proposed. On the other hand, early action credits always reward the manufacturer only for vehicles they actually deliver to the state ahead of their obligation. Rivian asks Ecology not to adopt proportional credits since proportional credits will reward ZEV deliveries in California over Washington.

Conclusion

Rivian recommends that staff move forward with an early action crediting provision without proportional credits, as this will not double-count existing emissions reductions, will not push emissions savings out of Washington, and will not unfairly reward manufacturers who prioritized California ZEV sales over Washington. We believe implementing early action credits alone is both the simplest and best option to provide flexibility in the regulation while assuring benefits of the regulation are preserved.

Rivian commends Washington and the Department of Ecology staff for their efforts to increase ZEV adoption and we thank Ecology again for the opportunity to comment. We would be happy to discuss any of the points above in further detail and look forward to future engagement on this proposal.

Sincerely,

A handwritten signature in blue ink that reads "Chris Nevers". The signature is fluid and cursive, with the first name "Chris" and last name "Nevers" clearly distinguishable.

Chris Nevers

Senior Director of Public Policy
Rivian