Washington Trucking Associations

Thank you for the opportunity to comment on the rule making to adopt changes to the ACT rule. Demonstrated in our industry's feedback is the lack of real action by Washington State on this issue. By adopting CA regulation, we have taken a backseat to creating a plan by Washingtonian's that works for Washington businesses and consumers. We've done little, if nothing thus far to invest in needed infrastructure to make ACT workable, and the delayed roll out of the minimal incentives offered by the Legislature should be an embarrassment to all who claim to care about DAC's. We're not special interests here, we represent a critical, essential industry who has been called upon to deliver goods and necessities that many of us take for granted. It's easy to demonize the industry while ignoring the real issues. Please see attached. Thank you again for the opportunity to comment.

Mark Miller Chairman MacMillan-Piper

Jeff Bosma 1st Vice Chair Fast Way Freight System, Inc.

> Everett Billingslea 2nd Vice Chair Lynden, Inc.

John Barnes 3rd Vice Chair TEC Equipment, Inc.

Steve Holtgeerts Secretary/Treasurer Hogland Transfer Co., Inc.

Matt Ewers Immediate Past President IEDS Logistics

Dale Lemmons ATA State VP Signature Transport, Inc.

Jeff Bosma Legislative Committee Chair Fast Way Freight Systems, Inc.

Sheri Call President & CEO Washington Trucking Associations



June 25, 2025

Nikki Harris Washington Department of Ecology Climate Pollution Reduction Program <u>Submitted electronically</u>

RE: Proposed Amendments to Clean Vehicles Program Rules (Chapter 173-423 WAC)

Ms. Harris,

Thank you for the opportunity to comment on the Department of Ecology's ("Department") proposed amendments to its Clean Vehicle Program Rules.

The Washington Trucking Associations (WTA) represents a broad cross-section of the trucking industry, from small family run operations to Fortune 500 companies servicing all areas of the Washington economy from agriculture, forestry, construction, port drayage and general freight.

We have serious concerns with the proposed amendments on both substantive and procedural grounds.

Background

In 2021, the California Air Resources Board (CARB) adopted the nation's first zero-emission medium and heavy-duty vehicle sales mandate known as the Advanced Clean Trucks Rule (ACT). In 2023, the Federal Environmental Protection Agency (EPA) granted California's request for a waiver of preemption for ACT. Under the Clean Air Act, no State may adopt standards related to the emissions of new motor vehicles except California upon issuance of a waiver determination from EPA.

Section 177 of the Clean Air Act authorizes non-California states to adopt and enforce for any model year standards relating to control of emissions from new motor vehicles or engines so long as:

- 1. Such standards are identical to the California standards for which a waiver has been granted for such model year, and
- 2. California and such State adopt such standards at least two years before commencement of such model year.

The State of Washington first adopted California's ACT by incorporation in 2021 and now seeks to adopt amendments to the ACT adopted by California on May 9, 2025. To date, California has not sought a waiver of determination for the amended ACT.

Most significantly, on June 12, 2025, the President signed a resolution of disapproval rescinding EPA's waiver authorization for the ACT pursuant to the Congressional Review Act (CRA). On the same day, California filed a lawsuit challenging the rescinding of its waiver authorization.

<u>Washington May Not Adopt or Enforce California Emission Standards Unless Such</u> <u>Standards are Identical to California Standards for Which a Waiver Has Been Granted for</u> <u>Such Model Year</u>

As noted above, Section 177 of the Clean Air Act prohibits the State of Washington from "adopting or enforcing" emission standards related to control of emissions from medium and heavy-duty trucks unless such standards are identical to California standards for which a waiver has been granted for such model years.

Two simple facts prohibit the State of Washington from adopting the proposed amendments to the Clean Vehicles Program Rule:

- 1. California has not submitted a waiver request to EPA for the amendments in question.
- 2. California no longer has a waiver from EPA for the original ACT adopted in 2021.

Washington is currently preempted by Section 209 of the Clean Air Act from either adopting or enforcing provisions of the Clean Vehicles Program Rules that pertain to model years covered by the ACT. Moreover, the CRA prohibits the EPA from issuing a future waiver for a rule which is "substantially similar" to the ACT unless Congress takes additional action to authorize such an action¹.

While there is room to speculate about what the Courts or Congress may do in the future related to the action taken pursuant to the CRA, at the time of this rulemaking, Washington is preempted by federal law from adopting the proposed amendments and should explore the repeal of provisions mirroring the ACT given EPA will be barred from issuing a waiver for a rule identical to the ACT in the future.

Washington Lacks the Charging Infrastructure Necessary to Support the Proposed Amended Rule

According to two national infrastructure databases², Washington has no publicly available charging infrastructure accessible to commercial vehicles.

¹ 5 U.S.C. §801(b)(2)

² US Dept of Energy Alternative Fuels Data Center and CalSTART National Zero-Emission Medium- and Heavy-Duty Infrastructure Map

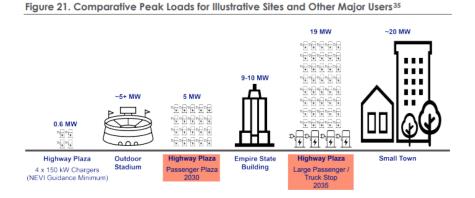
The Washington State Department of Commerce's Transportation Electrification Strategy (TES), states that approximately 1400 charging ports should have been available by 2025 to support an estimated 7,000+ commercial EVs deployed.

Furthermore, the charging needs assessment in the TES significantly underrepresents Washington's charging infrastructure needs in comparison to similar work conducted in California. The TES estimates that a total of 9,740 charging ports will be required by 2035 for an estimated 50,000 commercial EVs. By comparison, California's HEVI-Load model predicted a total need of 24,162 charging ports needed for 27,000 commercial EVs³, which means there is a roughly 5x discrepancy between California and Washington's forecasts.

In practice, even in southern California's ports where private and public investment in zeroemission trucks and infrastructure has been the most concentrated, progress is lagging forecasted needs. In its most recently published feasibility analysis conducted by ICF^4 , the Ports of Los Angeles and Long Beach forecast that they will need <u>14x</u> their current charging infrastructure by 2035 to fully transition the estimated 17,000 trucks which service the ports.

Charging Infrastructure Investments May Impact Affordability

Electrification of commercial vehicles poses a significant challenge for utility infrastructure. While some forecasts focus on relatively minor total increased generation needs, more significant costs and planning challenges come from the localized circuit impacts of truck electrification projects which, due to the charging speeds needed, can trigger major systems upgrades such as substations, transmission and distribution⁵.



³ https://efiling.energy.ca.gov/GetDocument.aspx?tn=254869

⁴ https://cleanairactionplan.org/download/240/trucks/5345/spbp_class-8-drayage-truck-feasibility-

assessment_final_for_public_review.pdf

⁵ https://www.nationalgrid.com/document/148616/download

California's investor-owned utility regulator, the California Public Utilities Commission (CPUC) summarized the challenges brought on by CARB regulations in a 2023 filing⁶:

The acceleration of electric vehicle adoption, coupled with new CARB zero-emission vehicle regulatory timelines, has created a significant increase in energization requests from customers, particularly electric vehicle service providers. These energization requests are often large in scale and require electric distribution capacity additions and/or distribution line extensions as well as service line extensions. This can add to the time it takes for site energization. As new zero-emission vehicle regulations accelerate timelines for transportation electrification over the next decade, it is critical that the Commission assess how the IOUs can support this accelerated need within the electric vehicle market while ensuring investments are affordable for ratepayers.

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Accelerated spending on transportation electrification has the potential to impact affordability for ratepayers.

A recent study from Roland Berger estimates that Washington will need to invest between \$10-15 billion in its distribution grid⁷ to support full electrification of the commercial vehicle sector.

Washington must prepare for similar affordability issues as those impacting California if it is to follow California's zero-emission regulations.

ACT and Low NOx Omnibus Have Not Resulted in ZE Deployment, but Have Created Equipment Shortages

States who have implemented both ACT and the Low NOx Omnibus regulations have experienced an acute shortage of trucks due to sales ratios imposed by equipment manufacturers responsive to their regulatory requirements to sell increasing percentages of zero-emission trucks.

These ratios were acknowledged by CARB staff in a 2024 memo⁸ to their Board:

Through discussions with manufacturers, dealers, and fleets, it appears numerous manufacturers have begun to inform their customers they will be applying future requirements to purchase ZEVs before they can acquire combustion vehicles to each of their dealer or upfitters regardless of the types of vehicles they sell as ZEVs. Some have expressed plans to begin implementing a rigid policy to require each dealer or upfitter to purchase a certain number of ZEVs from the manufacturer before they can get any ICEs

⁶ https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M521/K872/521872957.PDF ⁷ https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/2024_03_18_CFC_Final_Results_Exec Summary_VFinal.pdf

⁸ https://ww2.arb.ca.gov/sites/default/files/2024-09/240925_actmemo_ADA_0.pdf

whether or not the manufacturer offers ZEVs in the market segment the dealer specializes.

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The purpose for these ratios varies depending on the manufacturer. Some are using these ratios to meet their percentage sales requirement under the ACT regulation and as a result are requiring a ratio of roughly 1 ZEV to 10 to 15 ICE vehicles, which essentially pushes the ACT regulation's requirement onto the dealership or fleet. In other cases, manufacturers are requiring ZEV sales in order to generate NOx credits as they did not plan to have an HD Omnibus-compliant engine and are instead setting ratios of 1 ZEV to 1 to 3 ICE vehicles in order to achieve compliance.

Dealers in California have reported extreme cuts in their allocations of diesel equipment, with one dealer reporting 2025 allocation of 39 trucks for what would typically be a 2,800-volume dealer⁹. Dealers are reporting these cuts will result in job losses for maintenance and sales personnel.

The amendments under consideration were noted as being inadequate to resolve these issues at an October 2024 CARB hearing¹⁰, with a manufacturer representative noting "we believe additional actions will be necessary to help ensure sufficient engine availability" due to "practical implementation issues" as noted in these comments.

⁹ https://www.ttnews.com/articles/carb-rules-diesel-vehicles

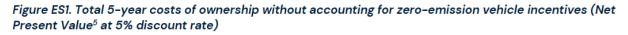
¹⁰ https://ww2.arb.ca.gov/sites/default/files/barcu/board/mt/2024/mt102424.pdf

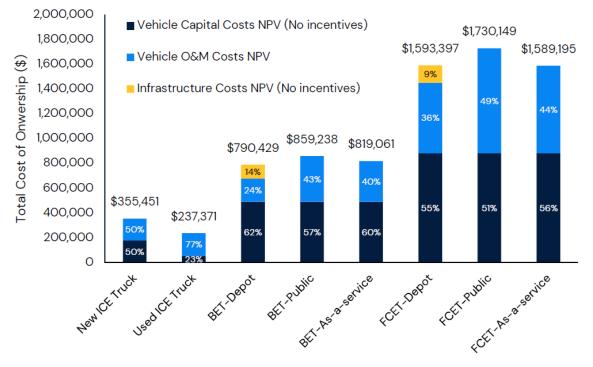
Zero-Emission Truck Prices Are Increasing



According to CARB itself¹¹, "California zero-emission trucks have increased in price by an average of \$86,512 since 2021-22".

These price increases are exacerbating the already poor economics of the zero-emission transition¹².





¹¹ <u>https://ww2.arb.ca.gov/sites/default/files/2024-09/240925_actmemo_ADA_0.pdf</u>

¹² https://cleanairactionplan.org/download/240/trucks/5345/spbp_class-8-drayage-truck-feasibilityassessment_final_for_public_review.pdf

Washington Has Not Resourced the Zero-Emission Transition

California has issued over \$1.5 billion in incentives for a single program, known as the Hybrid Voucher Incentive Program (HVIP). Additional incentives have been provided through a \$1 billion investment in transportation electrification by California utilities as mandated by Senate Bill 350 (De Leon – 2015), the California Energy Commission's (CEC) ENERGIIZE program which subsidizes the cost of charging equipment and various other state incentive programs.

Despite over \$2.5 billion in subsidies, the CEC reports that only 5,587 zero-emission trucks and buses had been deployed in California by the end of 2024 and only 54% of those deployments were commercial trucks¹³.

While Washington has recently solicited a vendor to administer a similar \$126 million point of sale voucher program as California's HVIP, to date, no vouchers have been issued.

Given that California's \$2.5 billion subsidy program has resulted in just 5,587 zero-emission trucks and buses deployed, \$126 million will not be adequate to meet even the 2025 goal under the TES to deploy 7,000 zero-emission vehicles in Washington.

<u>Summary</u>

In summary, we urge the Department to recognize the serious substantive and procedural issues noted in this letter impeding the adoption of the proposed changes. Washington should consider decoupling its efforts from California's failed approach and work with its fleets, dealers, and manufacturers on an approach which will advance zero-emission technologies without saddling Washington residents with increased energy prices and artificial scarcity of trucks.

If you have any questions, please don't hesitate to reach out.

Respectfully,

Meri Call

Sheri Call President & CEO Washington Trucking Associations

¹³ <u>https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-</u> statistics-collection/medium