

### 4 November 2025

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

Re: Climate Solutions' comments regarding the ZEVergreen initiative

Dear Josh Grandbouche,

Thank you for the opportunity to submit comments as a part of the ZEVergreen dialogue. Climate Solutions is a clean energy nonprofit organization working to accelerate clean energy solutions to the climate crisis. The Northwest has emerged as a hub of climate action, and Climate Solutions is at the center of the movement as a catalyst, advocate, and campaign hub.

Transportation is Washington's top source of climate pollution and transitioning to electric vehicles is essential for meeting our climate targets in statute. While Washington currently ranks high for electric vehicle (EV) adoption within the United States, we must accelerate this progress. Numerous research projects, including the state's own Transportation Electrification Strategy (TES) modeling, have shown how critical the Advanced Clean Cars II (ACCII) and Advanced Clean Truck (ACT) rules are for meeting our climate targets. Now that ACCII and ACT are in legal limbo after a change in federal policy, the State must determine other ways to maintain EV adoption rates similar to what would happen under those rules.

The TES also conveyed that Advanced Clean Fleets (ACF) is "the most powerful tool available for accelerating medium- and heavy-duty (MHD) truck electrification." Washington has not adopted ACF, and California withdrew its waiver request to the Environmental Protection Agency in light of the changing federal administration. However, Washington can pursue ACF-like levels of MHD zero-emission vehicle (ZEV) adoption through other policies.

Washington State has played a leading role in shaping climate policies that carry benefits to people across the state. Bold policy recommendations stemming from the ZEVergreen dialogue could not only help Washington maintain steady climate progress; they could also boost affordability by saving Washingtonians billions of dollars through not having to fuel up their vehicles with gasoline and diesel. Modeling conducted by Evolved Energy Research¹ shows that the level of vehicle electrification aligned with our climate targets would save, at minimum, \$400 million annually in operation and maintenance and almost \$2 billion annually in fuel. State policies that make it easier and cheaper to access EVs will unlock massive savings. Please see our recommendations below for near-term policies and investments that will help us save money and cut pollution.

NEW POLICY - VEHICLES
Reduce the EV car tab fees

<sup>&</sup>lt;sup>1</sup> Available upon request.



Currently, EVs pay car tabs that are disproportionately high. These car tabs are, in part, designed to "mitigate the impact of vehicles on state roads and highways" since EVs do not pay any gas tax.<sup>2</sup> A driver in a vehicle that has a fuel economy rating of 27 miles per gallon and who drives around 8,000 miles per year (typical for Washington) would pay around \$164 annually in state gas taxes. However, EV owners currently pay \$225 in EV-specific fees, most of which goes to the motor vehicle fund. \$75 of these fees are a "transportation electrification fee", which used to be directed to the EV Account and was meant to fund EV programs—until July 1, 2025, at which point this fee was redirected to the motor vehicle fund. This structure was agreed to as a part of the negotiations around the transportation electrification bill, HB 2042 (2019), which created a partial EV sales tax waiver while increasing the registration fee. The sales tax incentives expired in July 2025, so it is also time to revisit the EV fee structure.

These disproportionately high tabs are especially a burden for those living on lower incomes who were able to take advantage of the Instant EV Rebate program, only to find themselves saddled with high car tabs later. The \$75 "transportation electrification fee" should be eliminated.

# Air Quality Surcharge on new vehicle purchases

The Air Quality Surcharge (AQS) would be a one-time charge on the sale of new vehicles in Washington based on the vehicle's estimated lifetime climate and/or air pollution (there would be no charge for used vehicles). The AQS would only impact a small number of Washingtonians each year who are more affluent, making this a progressive revenue source. This revenue should be reinvested in transportation electrifications programs, such as the Instant EV Rebate and the Washington EV Charging Program. Though this would be a new policy for Washington State, it was socialized during the 2020-2022 legislative sessions so it is not a new concept. The policy itself is straightforward and should garner interest as a new progressive revenue source.<sup>3</sup>

## Automaker fees/incentives

Automakers should provide Washingtonians with access to cleaner vehicles with lower lifetime costs. ACC and ACCII expanded access to such vehicles, providing Washington residents with affordable choices. However, absent enforcement for ACCII, we may once again find our vehicles to these vehicles to be more limited or expensive. A supply-side fee/rebate system for automakers based on their portfolio in Washington and indexed to policy outcomes, such as the cost of driving or vehicle tailpipe pollution, would encourage automakers to make more vehicles that are cleaner and/or cheaper available in state. Such a policy could be adjusted to achieve various policy outcomes, but it would require careful research, policy deliberations, and engagement with different parties. Though a new policy like this would take effort, it could have a big impact so the work should begin now.

## Allow direct sales of EVs

Under current Washington state law, motor vehicle manufacturers, including those dedicated solely to producing ZEVs, are prohibited from selling directly to consumers. With the exception of Tesla, all manufacturers must adopt the franchised dealer model to engage with buyers. Allowing manufacturers that produce only ZEVs to sell directly to consumers would accelerate ZEV adoption by removing barriers in the purchasing process.

<sup>&</sup>lt;sup>2</sup> RCW <u>46.17.323</u>

<sup>&</sup>lt;sup>3</sup> Climate Solutions has a lot of materials on this concept that go into more detail. We welcome further discussion and are happy to share more of our thoughts.



Climate Solutions has supported efforts to allow ZEV-only manufacturers to sell their vehicles directly to Washingtonians, rather than go through a franchised dealership. Research from Atlas Public Policy indicates this can increase EV adoption by as much as 13% by 2030. Moreover, as we move past the "early adopters" stage of the technology adoption curve, it is increasingly important to make it easy to purchase EVs where questions about this newer technology are readily answered, where people are able to test drive different models, and where we see increasing competition in the market for different types of EVs. Unfortunately, this is not currently the case in Washington. A 2023 survey found that on the West Coast, only 27% of dealers had an EV available for sale. This is in part due to manufacturers being unable to churn out enough EVs to align with traditional franchised dealer vehicle stocking practices. However, out of the 66% of dealers in a nationwide survey who did not have an EV for sale, 45% reported they would not offer an EV for sale regardless of automaker allocation and supply chain constraints. Freedom to buy EVs with more flexibility, more market competition, and fewer added costs is important for expanding EV adoption to a broader market than enthusiasts. This is why the TES included allowing direct-to-consumer EV sales as a policy recommendation, and why Climate Solutions has supported previous legislation to this effect. Though this policy has been politically contentious, it is extremely popular among the public and it would cost nothing of the State.

### **NEW POLICY – CHARGING INFRASTRUCTURE**

## Ensure utilities enable timely energization and charger deployment

Washington has its own transportation electrification and climate targets, as do many local governments and businesses. However, achieving these targets on time is too often hindered by entities being unable to secure the electrical capacity to install the necessary charging stations to support their fleet electrification. For example, King County Metro is struggling to meet its goal of electrifying its bus fleet because they have not been able to secure the necessary electricity supply.<sup>8</sup>

Other states, such as California and Colorado, have passed "powering up" policies. These policies include setting average and maximum timelines for utilities to meet energization requests. They also support training and hiring the workforce necessary to electrify transportation and our buildings. These policies can also require that utilities plan in alignment with our climate and transportation electrification goals, as well as share resources that help their customers right now, such as capacity maps. Washington should enact such a policy.

## **Expedite and streamline the permitting process for EV charging stations**

Washington should require local jurisdictions to adopt ordinances that support the deployment of EV charging stations through streamlined permitting, setting a maximum allowable timeline. The State should create a best practices guide that helps simplify and standardize practices across different municipalities and should consider limiting administrative review parameters (as done in California's AB970 from the 2021-2 session). The TES includes this as a recommendation.

<sup>&</sup>lt;sup>4</sup> James Di Filippo and Tom Taylor, "Estimating the Impacts of Direct-to-Consumer Electric Vehicle Sales." Atlas Public Policy. September 2022.

<sup>&</sup>lt;sup>5</sup> Sierra Club, "A Nationwide Survey of the Electric Vehicle Shopping Experience." May 2023. https://www.sierraclub.org/sites/www.sierraclub.org/files/2023-05/SierraClubRevUpReport2023.pdf. <sup>6</sup> Ibid.

Washington Clean Car Choice Coalition, "Why Clean Car Choice." https://wacleancarchoice.org/why-clean-car-choice/#solution.

<sup>&</sup>lt;sup>8</sup> Nicholas Deshais, "Auditor raises red flags in Metro's push to electrify bus fleet by 2035." Seattle Times. 17 June 2024. <a href="https://www.seattletimes.com/seattle-news/climate-lab/auditor-raises-red-flags-in-metros-push-to-electrify-bus-fleet-by-2035/">https://www.seattletimes.com/seattle-news/climate-lab/auditor-raises-red-flags-in-metros-push-to-electrify-bus-fleet-by-2035/</a>.



# Reliability standards for publicly available EV charging stations

Too often, EV drivers run into problems when they plan to use a specific charger, only to discover that it is out of service. I have personally encountered this problem. As recommended in the TES, the state should establish reliability standards, including for uptime and charging power rates, for chargers that are publicly available. California has recently enacted such policy<sup>9</sup> and Washington should as well to address a real challenge for EV drivers that may hinder adoption.

#### **INVESTMENTS**

## Fund the Instant EV Rebate program

In 2024, the Department of Commerce launched the wildly popular Instant EV Rebate program, which provided a point-of-sale voucher for buying or leasing an EV to income-qualified Washingtonians. Rebate recipients stood to save over \$1,500 annually thanks to much lower fuel costs from driving their EV. However, the \$45 million available for the program ran out after only three months.

89% of rebate recipients say they couldn't have bought or leased an electric vehicle without the rebate, meaning this program was essential for them to unlock the cost savings and pollution cuts that come from driving an EV. This program should be funded and relaunched. We recommend reevaluating the rebate amount based on data gathered in the first round and our current context, including the expiry of federal and state tax incentives for EVs. Funding this program through the Climate Commitment Act will drive pollution reductions in our top-polluting sector and cut costs for Washingtonians. We anticipate roughly \$450 million in additional CCA revenue that can be spent this upcoming legislative session. Even though it is a supplemental budget year, given the dearth of financial support for light-duty EVs, that this sector is our top source of climate pollution, and the financial savings unlocked by access to EVs, we think this should be a top priority for CCA investments in the 2026 legislative session.

### Leverage the Green Bank to support fleet electrification

Washington should leverage its new Green Bank to help businesses and others electrify their fleets. This can happen through a loan loss reserve fund that helps entities purchase zero-emission vehicles, charging equipment, and electrical upgrades to support transitioning their fleets. Since Green Banks operate through financing, rather than grants, a relatively small public investment from the state could catalyze far more private sector investment with lasting benefits. It is important that parameters are set so state funding is used in a way that is aligned with the CCA's goals of reducing climate pollution and benefitting overburdened communities.

### **IMPLEMENTATION**

**Enforce and achieve Executive Order 21-04** 

<sup>&</sup>lt;sup>9</sup> E&E News, "California approves first-in-the-nation EV charger reliability rules." 9 October 2025. <a href="https://www.eenews.net/articles/california-approves-first-in-the-nation-ev-charger-reliability-rules/">https://www.eenews.net/articles/california-approves-first-in-the-nation-ev-charger-reliability-rules/</a>.

<sup>&</sup>lt;sup>10</sup> Washington State Department of Commerce, "Washington to see fuel savings and cleaner air as popular electric vehicle rebate program concludes." 22 October 2025. <a href="https://www.commerce.wa.gov/washington-to-see-fuel-savings-and-cleaner-air-as-popular-electric-vehicle-rebate-program-concludes/">https://www.commerce.wa.gov/washington-to-see-fuel-savings-and-cleaner-air-as-popular-electric-vehicle-rebate-program-concludes/</a>.



Executive Order 21-04 states that 40% of the state executive and small-cabinet agency light-duty vehicle fleet must be battery electric this year. As of the end of 2024, 11% were. <sup>11</sup> It is hard to imagine that within a year, this significant gap will have been closed such that agencies are in compliance. The State needs to critically examine why such a gap exists, whether the current exemption criteria are too broad, whether our current purchasing contracts include adequate EV choices, and so forth. If the State cannot adhere to its own goals, it is difficult to ask the public to embrace the transition to zero-emission transportation as well.

# Require use of zero-emission vehicles for state business

In addition to meeting Executive Order 21-04's goals for fleet make-up, the State should also require the use of zero-emission vehicles when they are available. In other words, if there is a choice between a zero-emission vehicle or an internal combustion engine vehicle for state business, the zero-emission vehicle should be used unless it cannot meet the needs of the moment. This would not only make it clearer to the public that the State is following through on its commitments, but it would also expose state employees to EVs.

## Maintain support for WAZIP and support its implementation

In 2023, the WA State Legislature allocated a significant amount of Climate Commitment Act (CCA) funding for a new zero-emission medium- and heavy-duty vehicle point of sale voucher program, and it reaffirmed and added funds to that commitment in 2025. However, this program, WAZIP, is yet to be launched. The ~\$126 million allocated to this program is substantial and among one of the higher line-item investments from the CCA. For many reasons, it is critical that WAZIP is expeditiously launched and that it is implemented effectively. Ensuring the success of this program should be a top priority.

## **Defend the updated Clean Fuel Standard**

The Clean Fuel Standard remains one of Washington's bedrock clean transportation policies. In 2025, it was updated so that the carbon intensity of transportation fuels must be 45% lower than 2017 levels by 2038—and 55% lower should any of the clean vehicles rules not be enforced. Electric utilities, as a supplier of clean transportation fuel, receive credits whose sale provides revenue that must be reinvested in transportation electrification projects. Other clean fuels providers receive credits as well, helping them expand and shifting the economics toward provisioning clean fuels and operating clean fleets. The Clean Fuel Standard must be defended and reinvestments by utilities (or the credit aggregator) must be monitored for efficacy.

Thank you for considering our comments. Climate Solutions stands ready to engage in further policy discussions and will continue advocating for policies and investments that will get us on track to meet our climate and clean transportation goals. We really appreciate Governor Ferguson, the Department of Ecology, and the Department of Commerce for launching and facilitating the ZEVergreen effort.

Sincerely,

Leah Missik WA Legislative Director

<sup>&</sup>lt;sup>11</sup> State Efficiency and Environmental Performance Unit, "2024 EO 21-04 Annual Summary Report." https://deptofcommerce.app.box.com/v/2024-zev-annual-report.