Ceres
Sustainability is the bottom line.
Corporate Electric Vehicle Alliance

Office of Governor Michelle Lujan Grisham
490 Old Santa Fe Trail Room 400
Santa Fe, NM 87501

August 24, 2023

Re: Major Commercial Fleet Operator Support for Advanced Clean Cars II and Advanced Clean Trucks Rule Adoption

Dear Governor Lujan Grisham,

I write on behalf of the Corporate Electric Vehicle Alliance (the Alliance) – a coalition of 31 major companies and fleet operators that represent over $1.2 trillion in annual revenue and collectively own, lease, or operate more than 2.7 million fleet or networked vehicles in the U.S. – to express our support for state adoption of the Advanced Clean Trucks (ACT) and Advanced Clean Cars II (ACC II) regulations.

Alliance members share a common goal to electrify their on-road fleet and networked vehicles to capture operational cost savings, meet climate goals, and support the community health of their customers and employees. In alignment with this goal, the Alliance currently represents robust demand for zero emission vehicles (ZEVs), with members planning to procure approximately 330,000 ZEVs, under a supportive market environment, as soon as 2026.

While the availability of commercial ZEVs in the U.S. market has improved, major fleet operators still face difficulties in procuring the ZEVs needed—in terms of both unit volume and model configuration—to meet their ambitious climate and sustainability goals in a timely manner.

As major operators of light-, medium-, and heavy-duty vehicles, Alliance members rely in large part on technology-driving policies like ACC II and ACT to close the gap between supply and demand for zero-emission commercial vehicles.

Corporate Support for ACC II and ACT

Market-enabling policies like ACT and ACC II will rapidly unlock the long-term savings, climate, and clean air benefits of fleet electrification, while spurring the much-needed widespread build-out of charging infrastructure to meet increased ZEV deployment. The more states that adopt ACT and ACC II, the greater the benefits of the rules, effectively lowering costs and creating a more stable, coordinated, and self-sustaining market for ZEVs.

By adopting policies like ACT and ACC II, state policymakers can help fleets access the volume and variety of ZEV models they need to unlock significant economic, health, and climate benefits. Additional state adoption of ACCII and ACT also enables major companies, including those in the Alliance, to plan more effectively for regional and nationwide rollouts of clean vehicles.

ACC II

Alliance members represent over 830,000 light-duty vehicles (LDVs) in operation across the U.S. and are looking to procure nearly 270,000 zero-emission sedans, SUVs, and pickup trucks by 2026. As major consumers and operators of LDVs across the U.S., Alliance members strongly support and encourage state adoption of clear regulatory guideposts that enable the auto and trucking industry to reliably plan

for the future. Additionally, by establishing clear regulatory standards and deadlines, companies are able to make better informed fleet procurement plans, which in turn create a predictable and supportive business environment that encourages investment and spurs job growth.

An ambitious ACC II program that drives additional automaker investment and produces greater model availability throughout the U.S. is both necessary and feasible. States that have adopted ACC (ACCII's predecessor) represent a third of U.S. car sales, and this has had a significant impact on the market, sending clear signals to fleets considering electrification and providing regulatory certainty to manufacturers. As more states adopt ACC II, the benefits to the market will only expand, which will lead to further reduced costs and increased availability of clean cars.

As businesses, Alliance members are making significant commitments to reduce GHG emissions and protect the health and economic well-being of the communities in which they live and operate. However, these commitments alone will not be enough to meet shared climate goals. With no equivalent federal policy expected, expeditious and ambitious state action is imperative.

Accordingly, the Alliance supports state adoption of the ACC II rule to ensure increased availability of ZEVs year-over-year until 100% of new light-duty vehicles sold are zero-emission in 2035.

ACT

Furthermore, Alliance members represent over 300,000 class 3-8 medium- and heavy-duty vehicles (MHDV) in operation across the U.S. and plan to procure more than 60,000 zero-emission MHDVs by 2026. While several manufacturers have made commitments to reach 50-67% medium- and heavy-duty ZEV sales by 2030 and 100% by 2040 or sooner, major fleet operators still face difficulties in procuring zero emission MHDVs at the volumes and price points, and with the specifications (e.g., electric range, payload, towing capacity, etc.) they require to meet their operational needs and ambitious sustainability goals.

The ACT rule will both increase the availability of critical zero-emission MHDV models and help lower their upfront cost. Currently, the upfront purchase price for a zero-emission MHDV is approximately two to three times higher than the upfront purchase price for a comparable diesel model.[1] By requiring manufacturers to increase ZEV sales and by driving additional manufacturer investment in clean vehicles, additional state adoption of ACT will accelerate the economies of scale that drive down costs and enable cost-effective electrification of commercial vehicles. Increased access to affordable zero-emission commercial vehicles across states and regions will allow Alliance members to remain competitive in a market where customers, investors, and employees increasingly expect companies to lead on sustainability.

Accordingly, the Alliance supports state adoption of the ACT rule to ensure increased availability of zero emission trucks year-over-year until 2035 when zero-emission models comprise 55% of new MHDV sales for Class 2b – 3 trucks, 75% for Class 4 – 8 trucks, and 40% for truck tractors.

ZEV Model Suitability

In addition to adopting the ACT and ACC II rules to increase the volume of ZEV production and improve manufacturer release timing transparency, **it is crucial that state policymakers support action to ensure**

[1] https://californiahvip.org/tco/

vehicle manufacturers offer a wide variety of ZEV model options from class 1 to class 8 vehicles capable of meeting the needs of diverse fleets and use cases.

To support production of diverse EV models, the Alliance also encourages state policymakers to consider providing a forum for businesses and vehicle manufacturers to engage in critical conversations on key issues (e.g., ZEV configurations, model release timing, technology management, and financing).

Adopting ACT and ACC II to accelerate the electrification of commercial transportation will support a cleaner, more energy-efficient economy through local innovation and investment in clean technology manufacturing. In addition, ACT and ACCII will help create new jobs, cut costs for our value chains, mitigate climate risk, and reduce health care costs by improving public health.

Thank you for your consideration of our comments.

Sincerely,

Sara Forni
Director of Clean Vehicles, Ceres

On behalf of the Corporate Electric Vehicle Alliance (CEVA), led by Ceres


ALTERRA
MOUNTAIN COMPANY


ARAPAHOE BASIN
COLORADO


ASPEN
SNOWMASS


AVOCADO
GREEN
BRANDS


BOSTON COMMON
ASSET MANAGEMENT


BRAND
geek


BURTON


BEN&JERRY'S


CLIF
BAR


CRYSTAL
MOUNTAIN


CSA
Congregation of Sisters of St. Agnes
Promoting Justice, Building Community


Dignity Health


Domini


DSM


ECOS


E2
Good for the Economy.
Good for the Environment.


Figure
Eight


First Affirmative
FINANCIAL NETWORK


fishpond


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Friends Fiduciary
ADDING VALUES TO STRONG PERFORMANCE.


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COLLABORATIVE


Hackensack
Meridian Health


Health Care
Without Harm


HEMP ACE
INTERNATIONAL


HUGO NEU


IKEA


IMPAX Asset Management
Adviser to Pax World Funds


LEGACY
VACATION RESORTS
CERTIFIED B CORP


Lime


lyft


M&E
ENGINEERS, INC.


Miller Howard
INVESTMENTS, INC


Your Adventure Starts Here
MOUNTAIN GEAR


CITY OF NEW YORK
OFFICE OF THE COMPTROLLER


NWCRI
Northwest Coalition for
Responsible Investment

October 14th, 2023

RE: Major Businesses and Investors Support the Advanced Clean Cars II Program

Dear Governor Lujan Grisham,

As major businesses, institutions, healthcare systems, employers, and investors with over $304 billion in assets under management, we represent a diverse coalition with operations, facilities, and interests across U.S. states. **We strongly support the ambitious Advanced Clean Cars (ACC) II program that accelerates electric vehicle deployment and ensures requisite emission reductions from internal combustion engine vehicles at the pace and scale that the climate and public health crises demand.** Adopting strong vehicle standards is necessary and feasible and doing so will generate significant climate, economic, and public health benefits across the country.

Climate change poses a significant risk to our long-term economic success, threatens the health and livelihood of the communities in which we operate, and disrupts the value chains on which we rely. Because of these risks, we are making ambitious commitments to reduce our greenhouse gas (GHG) emissions and invest in clean technologies.[1] The transportation sector is currently responsible for the majority of GHG emissions in the U.S. and its impact on the climate continues to grow. Transportation of people, goods, or services represents a substantial component of each of our carbon footprints and a major cost for our supply chains. We are counting on strong policies to help us meet our own climate and air quality goals, while delivering public health and economic benefits for our communities and employees alike.

[1] Nearly half of all Fortune 500 companies have set goals to reduce GHG emissions, procure renewable energy, and invest in energy efficiency, see: https://www.ceres.org/resources/reports/power-forward-3; More than 280 companies have made a commitment to go 100% renewable, see RE 100 companies: http://there100.org/companies; and more than 1,000 companies globally, including over 200 headquartered here in the US, are or have set comprehensive science-based targets for greenhouse gas emissions reductions, see: https://sciencebasedtargets.org/companies-taking-action/.

For businesses and institutions, zero-emission vehicles – particularly battery electric vehicles – offer significant benefits. By transitioning to zero-emission vehicles, we can reduce operational costs through lower fuel and maintenance costs, avoid risks associated with the volatility of fossil fuel prices and supply, enhance our company reputations, and improve workforce recruitment and retention. ACC II creates a supply of zero-emission vehicles to meet our demand, which will accelerate our transition to zero-emission vehicles and encourage economies of scale that will help bring down costs and set the stage for further economic development such as electric vehicle charging infrastructure. By spurring local innovation and investment in clean technology manufacturing, ACC II will help to develop a more energy-efficient economy, create new jobs, cut costs for our value chains, and mitigate climate risk.

ACC II will also improve public health and reduce health costs in our communities. More than 40% of Americans—over 135 million people—are living in places with unhealthy air pollution that threatens lung and respiratory health.[2] And the burden of GHG emissions from transportation is disproportionately borne by low-income and communities of color. Strong policies that result in improving air quality and access to cleaner transportation are critical for improving public health, addressing inequities, and preventing further economic strain. Reducing respiratory illness, missed days of work, and hospitalizations will lead to more disposable income for individuals and families and help reduce the financial pressure on our healthcare system. As the commercial vehicles in our fleets and value chains as well as our employees' personal vehicles cross state lines, these impacts will extend beyond the states where we operate. New research shows that combined with a 90% clean energy grid, electrifying all new cars and trucks by 2035 would prevent 150,000 premature deaths and avoid $1.3 trillion in environmental and health costs through 2050.[3]

The ACC II program drives investments and greater model introductions throughout the U.S. and is both necessary and feasible. Manufacturers met ACC I targets three years early. Battery costs have decreased, vehicle range continues to increase, and manufacturers are releasing electric models faster than anticipated. Section 177 states that have adopted ACC I represent a third of U.S. car sales, and this has had a significant impact on the market, sending strong signals and providing regulatory certainty to manufacturers. As more states adopt ACC II, the benefits to the market will only expand, and we will see reduced costs and increased availability of clean cars. And by maintaining leading standards, U.S. states can compete for private investment in a global market where demand for electric vehicles is rising every day.

As businesses and institutions, we are making significant commitments to reduce our GHG emissions and protect the health and economic well-being of the communities in which we live and operate. However, these commitments alone will not be enough to meet our shared climate goals. With no equivalent federal policy at this time, expeditious and ambitious state action is imperative. In fact, for Section 177 states, policies such as ACC II are the primary path for achieving their climate and clean air goals. We are counting on bold action by state leaders to cut deadly climate and air pollution, unlock a zero-emission and low-emission vehicle market, create good jobs, and ensure the global competitiveness of the U.S. economy. **As a diverse coalition representing footprints in 36 states, we strongly support adoption of the ACC II rule to accelerate vehicle electrification.**

Sincerely,

Alterra Mountain Company
Arapahoe Basin Ski Area
Aspen Skiing Company
Avocado Green Brands
Ben & Jerry's
Boston Common Asset Management
Brand Geek
Burton
Clif Bar & Company
Congregation of Sisters of St. Agnes

[2] "2021 State of the Air Report: Key Findings," American Lung Association, April 2021, https://www.lung.org/research/sota/key-findings.

[3] "2035 Report: Transportation," Goldman School of Public Policy, University of California Berkeley, April 2021, https://www.2035report.com/transportation/.

Crystal Mountain
Dignity Health
Domini Impact Investments
DSM North America
ECOS
E2
Figure 8 Investment Strategies LLC
First Affirmative Financial Network
Fishpond
Florida for Good
Friends Fiduciary
Grove Collaborative
Hackensack Meridian Health
Healthcare Without Harm
Hemp Ace International
Hugo Neu
IKEA USA
Impax Asset Management LLC
Legacy Vacation Resorts
Lime
Lyft
M&E Engineers, Inc.
Miller/Howard Investments
Mountain Gear
New York City Office of the Comptroller
Northwest Coalition for Responsible Investment
Numi Organic Tea
Peak Design
Praxis Mutual Funds
Province of St. Joseph of the Capuchin Order – Corporate Responsibility Office
Region VI Coalition for Responsible Investment
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Seventh Generation Interfaith Inc.
Siemens
Sierra Nevada Brewing Co.
Ski Butlers
Snowsports Industries America
Sustainable Advisors Alliance LLC
Taos Ski Valley
Trillium Asset Management
TripZero
Unitarian Universalist Association
WR Consulting, LLC
ZAGO Manufacturing

***The following signatories do not have logos available: WR Consulting, LLC.*

For more information or to connect with the signatories, please contact Dave Robba, Manager for State Policy, Transportation at Ceres (drobba@ceres.org).

Ceres is a nonprofit organization working with influential capital market leaders to transform the economy to build a just and sustainable future for people and the planet. Learn more about Ceres and the Business for Innovative Climate and Energy Policy (BICEP) Network at www.ceres.org.


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Figure
Eight


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Grove
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VACATION RESORTS
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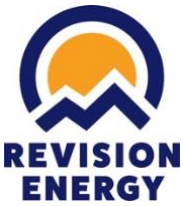
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OF PHILADELPHIA


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studio g architects


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ASSET MANAGEMENT


WORTHEN


XOS


ZEEM
SOLUTIONS


ZETA

October 14, 2023

Re: 80+ Businesses and Investors Support State Adoption of the Advanced Clean Trucks (ACT) Rule

Dear Governor Lujan Grisham:

As major businesses, institutions, healthcare systems, employers, and investors with nearly $43 billion in assets under management, we write to express our strong support for adoption of the Advanced Clean Truck (ACT) rule across states. The ACT rule will help bring down costs for zero-emission medium- and heavy-duty vehicles by requiring manufacturers to increase model availability to meet the needs of fleet operators and driving investment in clean transportation research and development. This will enable cost-effective electrification of commercial vehicles at the pace and scale needed to meet climate and air quality goals, while delivering public health and economic benefits for communities and businesses alike.

We have made significant commitments to reduce our greenhouse gas (GHG) emissions to protect the health and economic well-being of the communities in which we live and operate. Transportation is now the largest source of GHG emissions across the nation, a substantial component of our carbon footprint, and a major operating expense. Moreover, transportation is a major source of harmful air pollutants that disproportionately impact low-income communities. Improving air quality is not only the right thing to do for public health and for these communities, it also makes economic sense. Fewer instances of respiratory illness, missed days of work and hospitalizations will increase personal disposable income and help reduce the financial pressure on our healthcare system. These impacts cross state lines, just like the commercial vehicles in our fleets and value chains.

Increased access to cost-effective zero-emission commercial vehicles across states will allow us to remain competitive in a market where our customers, investors, patients, and employees increasingly expect us to lead on sustainability. A growing number of clean vehicles offer significant cost savings through lower fuel and maintenance costs, and reduce the risk associated with the volatility of fossil fuel prices and supply. However, commercial vehicle electrification still faces significant challenges due to higher upfront costs, weight, charging time, battery range, and the availability of charging infrastructure. Market-enabling policies like the ACT will rapidly unlock the long-term savings, climate, and clean air benefits of medium- and heavy-duty vehicle (MHDV) electrification, while spurring the much-needed widespread deployment of charging stations. The more states that adopt ACT, the greater the market-forcing benefits of the rule, thereby lowering costs and creating a more stable and self-sustaining market.

Electrification of commercial transportation will support a cleaner, more energy-efficient economy through local innovation and investment in clean technology manufacturing—creating new jobs, cutting costs for our value chains, mitigating climate risk, improving public health, and reducing health care costs. Bold action by state leaders is urgently needed. We strongly support adoption of the ACT rule across states to accelerate MHDV electrification, allowing both manufacturers and fleet operators to capture savings from economies of scale and provide more cost-effective emissions reductions for all.

Sincerely,

Adrian Dominican Sisters, Portfolio Advisory Board
Appropriate Technology Group
Arapahoe Basin Ski Area
Arjuna-Capital
Aspen Skiing Company
Avocado Green Mattress
Ben and Jerry's
Bollinger Motors
Boston Common Asset Management
Boston Trust Walden Company
BYD Motors
California Health Care Climate Alliance
Chambers for Innovation & Clean Energy
Chargepoint
Clif Bar
CommonSpirit Health
Congregation of St. Joseph
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Daughters of Charity, Province of St. Louise
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DSM North America
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GreenPower Motor Company
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IKEA Retail U.S.
Impax Asset Management
Independence Solar
Interfaith Center on Corporate Responsibility
JLL
Legacy Vacation Resorts
Lime
Lion Electric Co.
Macroclimate
Mercy Investment Services, Inc.
Miller/Howard Investments
Mountain Gear
National Grid
Natural Investments, LLC.
Nestlé
New Belgium Brewing Company
Next to Nature
Nikola Corporation
Northwest Coalition for Responsible Investment
Numi Tea
Oregon Business for Climate
Proterra
Province of St. Joseph of the Capuchin Order
REI
Revision Energy
Rivermoor Energy
Saunders Hotel Group
Siemens
Sierra Nevada Brewing Co.
Sigma Consultants, Inc.
Sisters of St. Dominic of Caldwell
Sisters of St. Dominic of Racine
Sisters of St. Francis of Philadelphia
Ski Butlers
Stonyfield Organic
Studio G Architects
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Ten Directions Design
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The Green Engineer, Inc.
Trillium Asset Management
TripZero
UMC, Inc.
Unilever
United Church Funds
United Natural Foods Inc.
Vert Asset Management
Worthen Industries
WR Consulting, Inc.
Xos Trucks
Zeem Solutions
Zero Emission Transportation Association (ZETA)

***The following signatories do not have logos available: Appropriate Technology Group, The Episcopal Church (Domestic & Foreign Missionary Society), Macroclimate, Natural Investments, LLC., Sigma Consultants, and WR Consulting, Inc.*

For more information or to connect with the signatories, please contact Dave Robba, Manager for State Policy, Transportation at Ceres (drobba@ceres.org).

Ceres is a nonprofit organization working with influential capital market leaders to transform the economy to build a just and sustainable future for people and the planet. Learn more about Ceres and the Business for Innovative Climate and Energy Policy (BICEP) Network at www.ceres.org.