The *NCAT* "Advanced Technologies Compliance Flexibility Option" would maintain the targets in the current MY 2022-2025 GHG standards, but would provide manufacturers with additional near-term compliance flexibilities. Corporate average fuel economy (CAFE) standards would be adjusted to reflect equivalent stringency, recognizing the different legal parameters established by the Energy Policy and Conservation Act. NCAT strongly supports preservation of state authority to adopt and implement GHG and zero emission vehicle (ZEV) standards, which we deem an essential predicate of this proposal set forth here. The flexibilities NCAT supports would include the following elements:

- 1. continue to attribute zero GHG emissions to electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs) when operating on electricity, and hydrogen fuel cell vehicles (FCVs);
- 2. extend and restructure credit multipliers for EVs, PHEVs and FCVs;
- 3. improve the off-cycle credit approval process; and
- 4. maintain existing credits for reduced air conditioning refrigerant leakage.

This package would provide near-term flexibility in complying with the current GHG and CAFE targets at lower compliance cost. At the same time, it would provide appropriate signals for further advancing and deploying technologies needed to reduce GHG emissions and increase fuel economy. Importantly, it would allow and encourage manufacturers to focus their investment on the advanced technologies of the future, enabling them to pursue emerging global market opportunities *and* benefit from the lower per-vehicle costs that newer technologies offer when produced at scale. This approach also strengthens and protects the domestic manufacturing base and supports the public and private infrastructure investment necessary for the emerging transportation system.

As set forth in NCAT's 2018 letters, EVs and other advanced technology vehicles and supporting infrastructure can and must play a critical role in supporting U.S. global competitiveness, economic growth, energy security, and cost-effective protection of public health and environmental quality. To remain competitive in the global automotive market, the U.S. must continue to support policies that encourage adoption of electric and other advanced technology vehicles and related infrastructure to serve the needs of American consumers.

While we disagree with the Chamber's assertion that there is any kind of "consensus" that the existing standards are not reasonably achievable and should be revised, given the role of the US Chamber in promoting the success of American business interests, it is important to note the organization has also concluded that the proposed lowering of the standards is untenable and threatens U.S. competitiveness.

We are at an inflection point. We are poised to lead the world in producing advanced transportation technologies. Our national priorities demand a final rule that maintains a strong and unambiguous investment signal, protects American jobs and rewards U.S. technology providers for innovation.

The *NCAT* approach provides a basis for maintaining stringent national standards while addressing automakers' requests for additional near-term compliance flexibility. If properly designed, this approach can maintain the energy, public health, environmental and economic benefits of the standards, support the desire of virtually all stakeholders to maintain a harmonized national program including both federal and state vehicle standards, and recognize the critical role that California and other states continue to play in reducing vehicle emissions and protecting public health.

Thank you for your consideration.

Sincerely,

Robert A. Wyman

Stacey L. VanBelleghem

000000

Devin M. O'Connor

Latham & Watkins LLP

Counsel to NCAT

555 11th Street, NW

Washington, DC 20004-1304

## National Coalition for Advanced Transportation (<a href="https://www.lwncat.com">https://www.lwncat.com</a>)

Atlantic City Electric

Baltimore Gas & Electric

Center for Climate and Energy Solutions

ChargePoint

Commonwealth Edison Company

Delmarva Power

Edison International

EVgo

Exelon

Los Angeles Department of Water & Power

Pacific Gas and Electric Company

**PECO** 

**PEPCO** 

Plug-In America

Portland General Electric

Rivian

cc:

Sacramento Municipal Utility District

Tesla, Inc.