The biggest challenges California will face in meeting the 2035 goal include actually seeing that level of ZEV manufacturing from the auto industry, and then marketing them to consumers, Dan Becker, director of the safe climate transport campaign at the Center for Biological Diversity told Utility Dive. The regulations that CARB eventually crafts could also have implications for other states, he added, like the Section 177 states – that is, the other states that have adopted California's low-emission vehicle and ZEV regulations under Section 177 of the Clean Air Act.

Environmental groups push more aggressive path to California's goal of 100% clean car sales by 2035

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Dive Brief:

- Environmental advocates are urging California regulators to consider a more aggressive pathway to the state's goal of ensuring that all new passenger vehicles sold in California are zero-emission vehicles, or ZEVs, by 2035.
- The California Air Resources Board in April issued proposed regulations to meet that goal – first outlined in an executive order by California Gov. Gavin Newsom, D, in September 2020 – which would, if approved by the board, set the state on the path to having 68% of its model year 2030 car sales be clean cars.
- Some groups, however, argued at a regulatory hearing Thursday that this was not an aggressive enough goal. Every car sold will be on the road for more than a decade, said Daniel Barad, senior policy advocate with Sierra Club. "So each year with lower targets means that we're leaving [emissions] reductions on the table for years to come. We believe that the sales requirement should be increased to at least 75% in 2030," he said. Other stakeholders, including in the automobile industry, said the proposed regulations could be challenging to meet.

Dive Insight:

The new vehicle market share for EVs in California jumped from 7.8% in 2020 to 12.4% in 2021, according to CARB, and roughly 74% of drivers in the state have reported having at least some interest in the EV market. The Advanced Clean Cars II regulations proposal that the agency issued in April includes implementing annual ZEV requirements for new car sales in the state – beginning at 35% in 2026, and increasing to 68% in 2030 and finally, the 100% goal by 2035.

The biggest challenges California will face in meeting the 2035 goal include actually seeing that level of ZEV manufacturing from the auto industry, and then marketing them to consumers, Dan Becker, director of the safe climate transport campaign at the Center for Biological Diversity told Utility Dive. The regulations that CARB eventually crafts could also have implications for other states, he added, like the Section 177 states – that is, the other states that have adopted California's low-emission vehicle and ZEV regulations under Section 177 of the Clean Air Act.

CARB held the first of two hearings on the proposed regulations on Thursday, where more than 100 public commenters lined up in person and virtually to weigh in on the proposal. A second hearing is expected to take place in August.

"Over the past three decades, the zero-emission vehicle regulations that CARB has adopted have acted as a catalyst, motivating manufacturers to both make internal combustion vehicles cleaner, and to develop zero-emission technology," agency Chair Liane Randolph said.

The regulations "are one of the most important air and climate pollution regulations to come before this board," said David Reichmuth, senior engineer with the Union of Concerned Scientists' clean transportation program.

He urged the board to consider a higher target of 75% ZEV sales by 2030, saying, "its feasible, and needed to reduce emissions as quickly as possible."

"For the state to meet its federal air quality obligations and to do its part to slow the climate crisis, we're going to need to significantly decrease emissions in the light-duty transportation sector – and this rule is California's best hope of doing just that," Sierra Club's Barad agreed.

Other stakeholders, including on the automobile industry side, however, advocated for a more cautious approach to decarbonizing the transportation sector.

Vehicle dealers cannot sell vehicles they do not have, said Anthony Bento, director of legal and regulatory affairs at the California New Car Dealers Association.

"We are concerned that global shortages of key materials necessary to construct electric vehicles, such as lithium, may greatly impact the supply of zero-emission vehicles during the ACC II compliance period," Bento said. "Experience during the pandemic shows that a decline in new vehicle supply directly impacts the affordability of both new and used vehicles. This harms low and moderate-income consumers most…" he added.

The proposed regulations are "extremely challenging," said Jenny Gilger, vice president with American Honda Motor, particularly in the program's early years and for the Section 177 states.

“From a program viability standpoint, there’s reasonable cause for concern. According to a market analysis we conducted, traditional automakers will in just three years need to increase electric vehicle sales between five and 20 times current levels, depending on the state, simply to meet the 2026 requirement,” she said.

Another concern for environmental groups is more recent changes made by CARB staff to the proposal, which provide more flexibility to automakers, Sasan Saadat, senior research and policy analyst with Earthjustice, told Utility Dive. The original proposal, released in April, would have allowed automakers various credits to comply with its requirements up to a certain cap – for instance, 15% of the annual sales requirement could have been met with historical credits, banked from previous CARB regulations.

However, a new change to the proposal would allow automakers to aggregate those “caps” and either apply them all at once or dole them out as they wish, he said, adding in a follow-up email that based on preliminary analysis, environmental groups are concerned that an automaker choosing to allocate their credits all at once could essentially achieve compliance without actually needing to produce any new ZEVs in the initial years of the program.