

Emily Wimberger
Chief Economist
California Air Resources Board
1001 I Street
Sacramento, CA 95814

September 10, 2019

Dear Ms. Wimberger:

Thank you for submitting the standardized regulatory impact assessment (SRIA) and summary (Form DF-131) for Advanced Clean Trucks Regulation, as required in California Code of Regulations, title 1, section 200(a)(1) for major regulations. Proposed text of the regulations were not submitted, therefore comments are based solely upon the SRIA and other publicly available information.

The proposed regulations require manufacturers and sellers of Class 2 trucks and Class 7-8 tractors in California to increase the percentage of electric vehicles sold to 15 percent by 2030, and to 50 percent by 2030 for Class 4-8 trucks. The additional requirements should help California meet its federal clean air regulations, as well as meet state emissions targets gradually over time given the roughly 70,000 sales per year versus the 5.7 million California trucks on the road. By 2030, the higher truck costs range from \$9,000 to over \$30,000, with a total additional cost of \$259 million for the electric vehicles, offset by lower fuel costs of \$294 million. This will also lead to lower fuel taxes to state and local governments of \$90 million by 2030, offset by lower operating costs for their fleets and an increase in sales taxes. Benefits to individuals of lower emissions are estimated to accumulate over time, such as avoided mortality and hospitalizations.

In general, Finance concurs with the methodology used to estimate impacts of proposed regulations. The SRIA clearly lays out for the public the proposed regulatory impacts, and does a good job of showing how this proposed regulation fits in with the overall strategy for California to reduce emissions. However, the SRIA also must be modified to include benefits – such as avoided health costs – on an annual basis.

These comments are intended to provide sufficient guidance outlining revisions to the impact assessment if a SRIA is required. The SRIA, a summary of Finance's comments, and any responses must be included in the rulemaking file that is available for public comment. Finance understands that the proposed regulations may change during the rulemaking process. If any significant changes to the proposed regulations result in economic impacts not discussed in the SRIA, please note that the revised economic impacts must be reflected on the Standard Form

399 for the rulemaking file submittal to the Office of Administrative Law. Please let us know if you have any questions regarding our comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Irena Asmundson".

Irena Asmundson
Chief Economist

cc: Mr. Lenny Mendonca, Director, Governor's Office of Business and Economic
Development
Mr. Kenneth Pogue, Director, Office of Administrative Law
Mr. Richard Corey, Executive Director, California Air Resources Board