ZERO-EMISSION MEDIUM- & HEAVY-DUTY VEHICLES

African Chamber of Commerce of the Pacific Northwest bp pulse fleet

CALSTART

Center for Sustainable Energy Clean & Prosperous Washington

Climate Solutions

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Electric School Bus Newsletter

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IBEW/CEWW

Natural Resources Defense Council

Pacific NorthWest Economic Region Regional Infrastructure Accelerator (PNWER RIA)

Partners for a Zero Emission Vehicle

People for Climate Action (PCA)
Issaquah Chapter

SEIU Healthcare 1199NW

Sierra Club Washington State Chapter

Tabor 100

TEC Equipment

The Northwest Seaport Alliance

Volvo Group North America

Washington Build Back Black Alliance

Washington Physicians for Social Responsibility

Washington Trucking Associations

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Senate Majority Leader Andy Billig Senate Minority Leader John Braun Senator Christine Rolfes Senator Lynda Wilson Senator Joe Nguyen Senator Drew MacEwan Senator Marko Liias Senator Curtis King

14 February 2023

Dear Legislators,

This legislative session presents a precedent-setting opportunity: to invest revenue from the Climate Commitment Act in ways that will support Washington State in achieving its greenhouse gas emission reduction requirements, improve public health, spur creation of union jobs, boost private investments, and reduce compliance costs. **Our diverse organizations agree that a key way to achieve these outcomes is through robust investments in zero-emission medium- and heavy-duty transportation.**

In addition to leading the nation in climate action with the Climate Commitment Act, the Clean Energy Transformation Act, and other policies, Washington has adopted the Advanced Clean Truck Rule. This regulation requires that an increasing percentage of new medium- and heavy-duty (MHD) vehicles sold through model year 2035 are zero-emission. However, sales mandates do not guarantee fleet adoption nor infrastructure readiness. It is also important that small businesses and independent owner-operators of MHD vehicles are not excluded from the transition to zero-emission vehicles, which over time will present significant fuel savings and lower maintenance costs, but currently cost more to purchase than diesel vehicles. The Climate Commitment Act requires that a minimum of 35% of funds are invested in projects that benefit overburdened communities.

Currently, zero-emission MHD vehicles are made in Washington state, including at a union factory, but are sent to other states that have robust point-of-sale voucher programs. By not incentivizing the clean transportation market in state, Washington is not only losing out on air quality benefits, but also on good job opportunities associated with vehicle charging and refueling infrastructure as well as the total cost-of-ownership savings associated with many zero-emission MHD vehicle uses.¹

Analysis shows that to achieve Washington's greenhouse gas emissions limits under RCW 70A.45.020, adoption of zero-emission MHD vehicles must scale rapidly, accounting for close to half of MHD vehicle sales in 2030 (compared to less than 1% today). Accordingly, the Legislature must spend \$250 million this biennium in accelerating the transition to zero-emission MHD transportation:

- **\$130 million** in a point-of-sale MHD zero-emission vehicle voucher program (anticipating launch in the second year of the biennium)
- **\$80 million** in incentives for MHD charging, including at fleet depots
- **\$40 million** in innovative demonstration projects



This amount is also commensurate with the Advanced Clean Truck Rule as it would cost-effectively incentivize purchases across various vehicle classes and end-users. It is important that funding includes considerations such as multipliers and set-asides for recipients that meet certain characteristics (e.g. small businesses, lower income, operating in an overburdened community), similar to other jurisdictions with robust incentive programs. Incentives must be available for private businesses, not only public entities and non-profits. Efficient program administration is also critical, and we encourage the Legislature to streamline incentives through an overarching program, as opposed to disparate incentive programs spread across multiple agencies.

The Legislature has the opportunity to create a budget that will support our transition to a prosperous clean energy economy. The Governor's budget included investments in zero-emission MHD vehicle grants and projects, but unfortunately these investments are not on par with the scale of investment analysis shows we need to meet our climate targets, all while supporting businesses and drivers and providing direct benefits to Washingtonians, particularly those in overburdened communities.

Our organizations, from the environmental, business, and labor communities, respectfully ask that you ensure the State meets its obligations by investing \$250 million this biennium in decarbonizing the MHD transportation sector.

Sincerely,

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