

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 emissions reduction requirements, improve public health, spur the creation of union jobs, boost private investments, and reduce compliance costs. **Our diverse organizations support the investment levels proposed in the House transportation budget for medium- and heavy-duty zero-emission vehicles (MHD ZEVs), including:**

- \$149.9M for commercial vehicle infrastructure and incentive programs.
- \$39.5M for Green Transit Grants to plan and transition bus fleets from diesel to alternative fuels and to ensure the necessary infrastructure.
- \$15.6M to replace school buses powered by fossil fuels with zero-emission school buses, including purchasing and installing zero-emission school bus refueling infrastructure.
- \$6.3M to fund a zero-emission drayage truck demonstration project at Northwest Seaport Alliance facilities.
- \$3.0M for hydrogen refueling infrastructure investments.

We appreciate the inclusion of \$56.3 for MHD ZEVs in the Senate operating budget and \$39.5M in Green Transit Grants in the Senate transportation budget, but the state must set a higher bar for the scale and pace of the transition ahead. 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 an increasing percentage of new medium- and heavy-duty (MHD) vehicles sold through model year 2035 be zero-emission.

However, sales mandates do not guarantee fleet adoption or infrastructure readiness. Small businesses and independent owner-operators of MHD vehicles can realize significant fuel savings and lower maintenance costs by replacing diesel trucks with ZEVs, but face higher upfront costs that can be addressed with incentives.

Currently, zero-emission MHD vehicles are made in Washington state, but are sent to other states. By not incentivizing the clean transportation market in the state, Washington is not only losing out on air quality benefits but also 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).

¹ The International Council on Clean Transportation, "How Much Does an Electric Semi Really Cost?", February 24, 2022. <https://theicct.org/cost-electric-semi-feb22/>.

The proposed House budget 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. Efficient program administration is also critical, and we encourage the Legislature to streamline incentives through an overarching program administered by an experienced third-party provider 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. **Our organizations, from the environmental, business, and labor communities, respectfully ask that you invest in decarbonizing the MHD transportation sector by meeting the House budget levels in the final negotiated budget.**

Sincerely,