

February 12, 2025

Dear Members of the House Committee on Transportation,
House Committee on Energy and Digital Technology,
Senate Committee on Transportation, and
Senate Committee on Natural Resources and Energy.

As many of your committees have recently received testimony from various sources on vehicle electrification and Vermont's participation in the Advanced Clean Cars II program I am submitting an attached document with the Sierra Club's thoughts to answer some of the concerns raised.

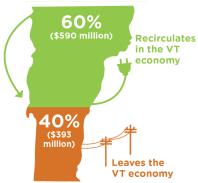
Over the last six years, the Vermont Sierra Club has focused on reducing emissions in carbon emissions and ensuring that policies are equitably implemented. Multiple reports and studies have shown that vehicle electrification for a rural community would be effective in reducing emissions while also having economic benefits to the community. Vermonters export 1.69 billion dollars a year on fossil fuels, while electrification recirculates 60% of the dollars. See this chart provided by the Energy Action Network.

Vermont fossil fuel spending, 2023



Sources: Fossil fuel spending: Vermont Department of Taxes, 2024; VGS, 2024. Dollar recirculation share: Ken Jones, Senior Fellow for Economic Analysis, 2024. Note: This graph includes spending on thermal and transportation fuels only.

Vermont electricity spending, 2023



Sources: Electricity spending: Vermont electric utilities.
Dollar recirculation share: Ken Jones, Senior Fellow for
Economic Analysis, 2024. Note: Dollar recirculation share
was updated in January
2025 to reflect out-of-state
transmission costs.

Driving an Electric Vehicle is less expensive than Driving an Internal Combustion Engine

As the cost of operating an electric vehicle is lower drivers can save up to \$6797 over five years on fuel and power, and over ten years save over \$4,600 on maintenance of the vehicle over its lifetime. For more on operation costs please visit <u>Drive Electric Vermont</u>.

Vermont is making enormous strides in transitioning to electric vehicles. To rollback on the investments and progress already underway is counterproductive to VT goals of reducing emissions and addressing affordability. Vermont leads the nation in access to public charging infrastructure, and Vermont's electric vehicle adoption rate is nearly 15% of the market share.

The Sierra Club views the Advanced Clean Car II(ACCII) rules as an essential policy tool to further help continue the transition to electric vehicles. I have attached a fact sheet that answers some of the concerns raised. ACCII ensures that Vermont will receive the most efficient and affordable vehicles, expands consumer protections, and ensures we are reaching our carbon reduction requirements.

The Vermont Sierra Club urges the legislature to continue participation in the Advanced Clean Cars II program while continuing to find revenues to fund electric vehicle incentives and electric vehicle charging. The Sierra Club has expertise on the issue and would be willing to provide more testimony if your committee needs it. The Sierra Club appreciates the Legislature's and the Agency of Transportation's work to transition to clean transportation.

Sincerely,

Robb Kidd Vermont Sierra Club Conservation Program Manager robb.kidd@sierraclub.org



ACC II Factsheet: Vermont - February 2025

Vermont is one of 13 states¹ (including Washington D.C.) that has adopted California's Advanced Clean Cars II regulation (ACC II), which imposes obligations on vehicle manufacturers to deliver increasing percentages of zero emission light-duty vehicles to states that adopt the rule. Vermont's participation in ACCII is the most recent evolution of its participation in the California clean cars program since 1996, which has saved Vermonters significantly by requiring manufacturers to deliver more fuel efficient, clean cars to the state.

ACC II works to reduce carbon emissions and criteria pollutants emitted by light-duty cars and trucks by imposing sales requirements on vehicle manufacturers that sell new cars. There are no obligations on consumers and used car sales are not affected. The base sales percentages (which manufacturers can reduce through compliance flexibilities built into the rule) are listed below. Beginning in model year 2035, 100% of new light-duty vehicles sold in Vermont must be zero emission vehicles. Note these are sales % of new vehicles, not the total percentage of vehicles on the road.

Model Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
ZEV/PHEV										
Share of New	35%	43%	51%	59%	68%	76%	82%	88%	94%	100%
LDV Sales										

Source: https://www.nescaum.org/documents/ACC-II-ZEV-FAQs 08-29-24.pdf.

Representatives from the Vermont Automotive Dealers Association and The Alliance for Automotive Innovation(AAI) have recently advocated that Vermont withdraw from ACC II before manufacturer compliance obligations kick in with vehicles in the model year 2026.

Like other industry special interest groups, AAI appears interested in preserving the status quo, keeping Vermonters reliant on dirtier, more costly cars. They are opposing the adoption of ACC II in Illinois and have been sharing similar talking points there and in other states. In short, it is increasingly looking like a national, coordinated effort to slow progress towards vehicle electrification – a shortsighted move that threatens to leave the U.S. behind in the global energy transition. This fact sheet debunks the unsupported claims and assertions these groups are using in an attempt to rescind ACC II rulemaking before it is ever implemented.

¹ https://www.sierraclub.org/transportation/clean-vehicle-programs-state-tracker.

Opposition Claims:	Reality:				
Vermont doesn't have enough EV charging.	According to <u>Drive Electric Vermont</u> , "there are more than 400 public charging stations in Vermont alone – the highest number per capita in the U.S."				
Vermont needs 2,099 EV charging stations in year one of ACC II, citing a National Renewable Energy Lab (NREL) study. https://www.nrel.gov/docs/fy23osti/85654.pdf	AAI's own source says nothing about 2026 – it is explicitly a study forecasting charging needs in 2030 – it's right there in the title: NREL, "The 2030 National Charging Network: Estimating U.S. Light-Duty Demand for Electric Vehicle Charging Infrastructure" (June 2023).				
"Consumers and infrastructure are just not ready to support yet."	AAI offers no supporting authority. According to AAI's own Q3 2024 report (see page 7), Vermont has the 8th highest EV sales percentage in the country at 13%.				
"Lack of charging infrastructure is the biggest hurdle."	According to the <u>Department of Energy</u> , 80% of EV charging occurs at home. AAI ignores that Vermont's two largest utilities, <u>Green Mountain Power</u> and <u>Burlington Electric Department</u> have robust EV incentive programs, including purchase and lease incentives, favorable EV-specific rates, and free home EV chargers .				
"EV market growing – but too slowly"	According to Argonne National Lab, over 1.5 million EVs were sold in 2024, an 8% increase over 2023.				
"Constraining ICE vehicle sales may be the only option" for manufacturer compliance.	There is zero evidence from California or elsewhere that manufacturers will choose to comply by selling fewer ICE vehicles. That would make no business sense and AAI ignores the numerous <u>compliance flexibilities</u> built into the rule that can significantly lower manufacturer ZEV sales percentages in a given model year.				
"Would destroy consumer choice, raise prices, encourage holding used vehicles longer, and drive buyers to other states."	There is zero evidence for any of these statements. AAI offers no data to support the notion that ACC II will raise ICE vehicle prices, or that increasing the number of EVs offered for sale in Vermont would somehow limit consumer choice, lead Vermonters to drive used cars longer, or push them to go out of state to buy a new car.				