



California looks to drive electric vehicles growth

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Washington, 12 September (Argus) — California regulators and utilities are exploring a slew of options to encourage the use of electric vehicles (EV) as the state pushes to meet an ambitious target for the technology and to cut greenhouse gas (GHG) emissions from its transportation sector.

EVs still represent only a sliver of the car market in the state and are far from reaching the numbers needed to cut emissions in line with California's long-term plans. California has roughly 305,000 electric vehicles, nearly half the US total but only about 7pc of the 4.2mn regulators estimate will be needed to achieve the state's 2030 emissions goals.

Despite the current pace, the California Air Resources Board (ARB), industry analysts and environmental groups say the state will ultimately achieve its goals, including governor Jerry Brown's (D) call for 1.5mn EVs on the road by 2025.

"ARB is confident industry is on a path for full compliance in California with the 2025 requirements," ARB said. "We estimate 1.2mn will be needed for minimum compliance in 2025, and are also confident with complementary policies that the state can achieve the full 1.5mn target."

"California can certainly meet its 2025 goal with continued robust policy support," Natural Resources Defense Council director of the clean vehicles and fuels project Luke Tonachel said.

ARB is starting a rulemaking process for vehicles regulations for the 2026 model year and beyond that could help bridge the gap from 2025 to 2030 by encouraging additional EV adoption. That proposal should come out by sometime in 2020.

EVs accounted for nearly 5pc of California's auto sales in the first quarter of 2017.

Transportation accounts for about 39pc of California's GHG emissions, while electric power generation only represents about 19pc, making it more urgent for the state to address its use of motor vehicles if it wants to meet long-term climate policy goals.

"While the state has made considerable progress decoupling economic growth from GHG emissions, the rate of emissions decline appears to be slowing, due in part to a spike in transportation emissions," public policy group Next 10 said in a recent report.

California lawmakers had been considering a \$3bn expansion of the state's vehicle rebate programs. For now that plan is on hold as lawmakers call on ARB instead to report on all of the efforts currently underway.

ARB in July [approved](<https://direct.argusmedia.com/newsandanalysis/article/1506445>) the first phase of a \$800mn plan by automaker Volkswagen to invest in zero-emission vehicles in the state. The first phase directs the company to spend \$200mn over the next 30 months to build a basic charging network

along highways and in six metropolitan areas, as well as launch a "green city" project to make such vehicles more accessible in Sacramento.

At the same time, California's three major utilities have each started programs that will together add 12,500 charging stations, with a combined budget nearing \$200mn. The utilities also offer rebates for EV purchases with funds generated from the California Low-Carbon Fuel Standard. The utilities last year received more than 510,000 metric tonnes of credits for electric vehicle charging, a 60pc jump from 2015.

The focus on charging stations could help the state shore up a weakness in its EV market. The state has only 0.05 charging outlets per EV, which puts it behind every state except New Jersey and Alaska for availability of EV infrastructure per vehicle.

Vehicle emissions will need to fall if California is to meet its goal to reducing overall GHG emissions by 40pc from 1990 levels by 2030. But those emissions have actually increased recently.

"Cheap gas prices and a strong economy are creating increased goods movement and prompting Californians to drive more," Beacon Economics chief economist Adam Fowler said. Beacon prepared the report for Next 10.

"At the end of the day we are moving towards a system that is electric drive," University of California, Davis Institute of Transportation Studies director Dan Sperling said. "It is just a question of how fast we get there."