



CALIFORNIA

Brown: State won't reach its clean car goal without China

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NANJING, China — California Gov. Jerry Brown (D) wants Chinese companies to fill the state's demand for electric vehicles.

Brown signed agreements Sunday and yesterday with two Chinese provinces to work on clean energy and climate change policies and called for Chinese companies to begin selling more electric vehicles in California to help it meet its greenhouse gas reduction goals.

In the wake of President Trump's announced withdrawal from the Paris climate agreement, Brown has said he sees China as the world's best hope for leading global emissions reduction efforts. He is in China this week to drum up support for climate policies, including emissions trading and renewable energy generation.

Brown also sees China's manufacturing capacity as the best hope for reducing California's own emissions. Transportation accounts for 40 percent of the state's greenhouse gases, and state law requires cutting emissions 40 percent below 1990 levels by 2030. Adoption of zero-emission vehicles has been a stumbling block for state regulators, particularly when it comes to trucks, buses and other large mobile sources.

"We want 4 [million] to 5 million electric vehicles on the road by 2030," Brown said at a clean-tech conference in Jiangsu province yesterday. "We're not going to get there unless Chinese businesspeople, Chinese government leaders make it a priority to develop electric batteries and electric cars."

Brown also hammered home the EV argument at the signing of a memorandum of understanding in Jiangsu later that day, and with reporters on Sunday in Sichuan province.

"The forces of the status quo, the forces of fossil fuel are very powerful," he said. "They're the reigning power, as it were, and to shift away from that takes finding allies wherever you can find them and building on every possible alliance that I can find and anyone else can find."

The pitch dovetailed with Chinese officials' focus on the economic potential of environmental policies and technologies. Yesterday's conference in Nanjing, the International Summit of New Environmental Protection Technology, featured heavy repetition of the slogan "green is gold."

"We'd rather have clean waters and green mountains without gold and silver," said Wu Zhenglong, governor of Jiangsu. "The market will play a big role in promotion of ecological protection and the environment."

An expert in China's transportation industry said that Brown's move was canny. While there are plenty of companies making electric passenger vehicles, Chinese companies could easily dominate the still-fledgling market for electric buses and other larger vehicles.

"Electric buses could be a huge market for Chinese companies," said Yunshi Wang, director of the University of California, Davis' China Center for Energy and Transportation.

The only major company currently selling electric buses in California is BYD Motors Inc., a California-based subsidiary of Chinese manufacturer BYD Auto Co. Ltd. Another potential competitor is Beijing Auto. Wang noted that electric buses sell for roughly \$300,000 in China, compared with \$800,000 to \$1 million in the United States. Part of the price differential is due to the United States' higher safety standards, but a lack of competition also drives up the price.

"The price difference is huge," he said. "We need three or four Chinese bus companies to come to California to bring the cost down to half a million."

The agreements that Brown signed should help Chinese companies, many of which are partly state-owned, feel more comfortable investing money abroad, Wang said. Such companies are not generally permitted to engage in foreign investment without government permission.

"The MOUs provide a great umbrella for those companies when they invest their money in a foreign country," he said. "When it rains, they have something over their head."