#### **BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

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IN THE MATTER OF:

PROPOSED CLEAN CAR AND TRUCK STANDARDS PROPOSED 35 ILL. ADM. CODE 242 R 2024-017

(Rulemaking – Air)

#### **NOTICE OF FILING**

TO: Don Brown Clerk of the Board Illinois Pollution Control Board 60 E. Van Buren St., Suite 630 Chicago, IL 60605 Vanessa Horton Carlie Leoni Hearing Officers Illinois Pollution Control Board 60 E. Van Buren St., Suite 630 Chicago, Illinois 60605

(VIA ELECTRONIC MAIL)

(SEE PERSONS ON ATTACHED SERVICE LIST)

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Illinois

Pollution Control Board, the ENTRY OF APPEARANCE of MELISSA S. BROWN and PRE-

FILED QUESTIONS FOR PROPONENTS' WITNESSES on behalf of THE ALLIANCE

FOR AUTOMOTIVE INNOVATION, copies of which are hereby served upon you.

Respectfully submitted, Alliance for Automotive Innovation

By: <u>/s/ Melissa S. Brown</u> One of Its Attorneys

Dated: October 28, 2024

Melissa S. Brown HEPLERBROOM, LLC 4340 Acer Grove Drive Springfield, Illinois 62711 <u>Melissa.Brown@heplerbroom.com</u> PH: (217) 528-3674

#### **CERTIFICATE OF SERVICE**

I, the undersigned, on the oath state the following:

#### That I have served the attached ENTRY OF APPEARANCE and PRE-FILED QUESTIONS

for PROPONENTS' WITNESSES, via electronic mail upon:

Mr. Don A. Brown Clerk of the Board Illinois Pollution Control Board 60 East Van Buren Street, Suite 630 Chicago, IL 60605 <u>don.brown@illinois.gov</u>

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That my email address is Melissa.Brown@heplerbroom.com

That the number of pages in the email transmission is 12.

That the email transmission took place before 4:30 p.m. on October 28, 2024.

Date: October 28, 2024

/s/ Melissa S. Brown Melissa. S. Brown

#### **BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

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IN THE MATTER OF:	
PROPOSED CLEAN CAR AND	
TRUCK STANDARDS: PROPOSED 35 ILL.	
ADM. CODE 242	

R 2024-017

(Rulemaking - Air)

#### **ENTRY OF APPEARANCE OF MELISSA S. BROWN**

NOW COMES Melissa S. Brown, of the law firm HEPLERBROOM, LLC, and hereby enters her appearance in this matter on behalf of the ALLIANCE FOR AUTOMOTIVE INNOVATION.

Respectfully Submitted,

DATE: October 28, 2024

By: <u>/s/ Melissa S. Brown</u>

Melissa S. Brown HEPLERBROOM, LLC 4340 Acer Grove Drive Springfield, IL 62711 <u>Melissa.Brown@heplerbroom.com</u> (217) 528-3674

#### **BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

IN THE MATTER OF:	)	
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	)	R 2024-017
PROPOSED CLEAN CAR AND	)	
TRUCK STANDARDS: PROPOSED 35 ILL.	)	(Rulemaking – Air)
ADM. CODE 242	)	

#### THE ALLIANCE FOR AUTOMOTIVE INNOVATION'S PRE-FILED QUESTIONS FOR PROPONENTS' WITNESSES

The Alliance for Automotive Innovation ("Auto Innovators"), by and through its attorneys, and pursuant to the Illinois Pollution Control Board's ("Board") Hearing Officer Order dated August 21, 2024, hereby files the following Pre-Filed Questions for Proponents' Witnesses at the First Hearing scheduled for December 2 and 3, 2024. On June 27 and September 16, 2024, the Sierra Club, Natural Resources Defense Council, Environmental Defense Fund, Respiratory Health Association, Chicago Environmental Justice Network, and Center for Neighborhood Technology (collectively "Proponents") filed Pre-filed Testimony in this matter. Although the following pre-filed questions are directed to a particular witness whose testimony is the basis of the questions, the Auto Innovators do not object to the answers being presented by the most appropriate witness of Proponents for each question.

#### Questions for Kathy Harris and Muhammed Patel (NRDC)

- If the Board adopts the proposed amendments based on Advanced Clean Cars II ("ACC II") in 2025, the zero-emission vehicle ("ZEV") mandate will begin for model year ("MY") 2029 vehicles at a 59% ZEV sales requirement, correct?
  - a. Using current data for ZEV sales in Illinois as a baseline, how much will automakers collectively need to increase their market share of ZEVs each year for the next three years to meet the 59% requirement?
  - b. The ACC II "flexibilities" referred to in NRDC's testimony are allowed two years prior to the first year of ACC II and are capped at 15% and expire in MY2030, correct? Additionally, is it correct that there is a cap of 20% plug-in hybrid vehicles ("PHEVs")?
  - c. Can NRDC explain how this 2-year lead time to go from 7.3% ZEV to 59% ZEV is attainable, knowing that these "flexibilities" are capped and expire in MY2030?
- 2. Are you aware that California has spent over \$10 Billion in public charging infrastructure to reach their current 26% ZEV market share to date?

- 3. What is your best estimate concerning the amount of money the state of Illinois will need to invest over the next ten years in order to develop the public charging infrastructure necessary to support the level of electric vehicles required under the regulations?
  - a. Are you aware that it has been estimated that Illinois will need to spend over \$676 million on publicly accessible EV charging stations to support 1 million electric vehicles by 2030? If so, do you agree with that assessment? If you do not agree with that assessment, why not and what would be a more reasonable estimate for the costs associated with the number of chargers needed to support 1 million electric vehicles?
  - b. What is your best estimate for the number of publicly available chargers that would be necessary to support the number of electric vehicles required under the proposed ACC II program, if adopted, in 2030? In 2032? And in 2035?
  - c. What is your best estimate for the total cost of building out the number of publicly available chargers set forth above in each year? What is your position concerning who should bear those costs?
  - d. If the Board were to adopt the proposed amendments based on ACC II, but the actual development of the necessary charging infrastructure identified above falls well short of those targets, would you agree that the state would need to reconsider the adoption of ACC II? If not, why not?
  - e. Will the same light-duty infrastructure be usable by medium-duty EVs that are required to electrify under the proposed amendments based on the Advanced Clean Trucks ("ACT") program? How much infrastructure investment, in addition to that already set forth in response to this question, will be required for the proposed ACT program?
- 4. Are you aware of how much California has spent on consumer incentives via the Clean Vehicle Rebate Program over the life of the program? If so, what is the amount?
  - a. In your opinion, what level of consumer rebates would be necessary to support the level of electric vehicle sales required under the proposed ACC II provisions, if any? Should it be in proportion to the amount California has spent when normalized to account for the relative size of the vehicle market in each state?
  - b. What is your proposal for funding the consumer rebates discussed above?
  - c. Will the addition of an Illinois rebate, in addition to current federal incentives, be capable of ensuring EV sales grow from 7.3% in Illinois to 59% by MY 2029? What is the basis for your response to this question?

- 5. Are you aware of the amount of money California has allocated through its Clean Truck & Bus Vouchers (HVIP) program to support the Advanced Clean Truck rule? If so, what is the amount?
  - a. In your opinion, what amount of financial incentives over the next ten years would be necessary to support the level of electric heavy duty vehicle sales required under the proposed ACT provisions?
  - b. How would you recommend that Illinois ensure adequate complementary policies such as a robust incentive program with appropriate funding pools to support MDV ZEV mandates found in the proposed ACT provisions?
- 6. In the last two sessions in Illinois, is it true that the Senate and House bills introducing the adoption of ACC II failed, including the most recent SB2839 and HB1634? Additionally, is it true that Governor Pritzker publicly opposed these bills?
  - a. If the Illinois House, Senate and Governor have decided not to adopt ACC II in Illinois, why should the Illinois Pollution Control Board circumvent these decisions?
  - b. Do you agree that the ACC II regulations include a complete ban on the sale of any new vehicle that does not qualify as a "zero emission vehicle" starting in model year 2035? If so, shouldn't such a significant policy question be designated to the elected representatives of the people of Illinois?
- 7. In the Statement of Reasons supporting the proposed rulemaking, it is conceded that the recently adopted federal standards for light duty vehicles "will increase the share of new light-duty ZEV sales in Illinois to 66% by 2032 and maintain that sales percentage through 2050."<sup>1</sup> Adoption of the proposed ACC II provisions would increase that sales percentage to 82% in 2032 and 100% in 2035, correct?
  - a. Please explain how this increase in ZEV sales percentage between the federal standards and ACC II would impact the availability of electric vehicles for consumers in Illinois, if at all.
  - b. Please explain how the ZEV sales percentage requirements meet customers' needs and preserve customer choice.
- 8. The Statement of Reasons supporting the proposed rulemaking states that there were more than 110 EV models available for sale in all segments in 2023, and that 197 ZEV models are projected to be available by the end of 2025.<sup>2</sup> At the same time, the Statement of Reasons argues that "a business as usual approach without implementation of the

<sup>&</sup>lt;sup>1</sup> Statement of Reasons at 13 n.16.

<sup>&</sup>lt;sup>2</sup> Statement of Reasons at 37-38.

proposed rules will continue to see ZEV adoption and transportation sector GHG emission reductions lag far behind statewide goals."<sup>3</sup>

- a. Given the wide availability of ZEV models available to consumers, why do Proponents conclude that adoption of ACC II is necessary to meet the state's climate goals?
- b. In your opinion, is there a market failure preventing the widespread adoption of electric vehicles? If so, what is that market failure and how should it be addressed?
- c. What metric has been used to define "lag far behind"?
- d. To what extent would Illinois "lag behind" its statewide goals under the recently adopted federal standards for light-duty vehicles?
- 9. The Statement of Reasons states that the ACC II rule "imposes obligations on vehicle manufacturers—not consumers" while "culminat[ing] in a 100% new ZEV sales requirement beginning in MY 2035."<sup>4</sup> Would you agree that an obligation on automakers to <u>sell</u> only ZEVs is the same thing as an obligation on consumers to <u>purchase</u> only ZEVs? If not, why not?
- 10. The Statement of Reasons states that under the Inflation Reduction Act, consumers purchasing EVs are eligible for a tax credit of up to \$7,500.<sup>5</sup>
  - a. How many of the electric vehicles available for sale today qualify for the full \$7,500 consumer purchase tax credit?
  - b. How many of the electric vehicles available for sale today qualify for a partial \$3,750 consumer purchase tax credit?
  - c. How many of the electric vehicles available for sale today do not qualify for any consumer purchase tax credit?
  - d. Do you agree that the consumer tax credits in the Inflation Reduction Act are important for spurring consumer demand for electric vehicles?
  - e. In your opinion, with the availability of the Inflation Reduction Act, why have sales of electric vehicles in Illinois not increased exponentially?

<sup>&</sup>lt;sup>3</sup> Statement of Reasons at 20.

<sup>&</sup>lt;sup>4</sup> Statement of Reasons at 11.

<sup>&</sup>lt;sup>5</sup> Statement of Reasons at 45.

- f. What action (if any) should Illinois take with respect to promulgation and implementation of ACC II if the consumer tax credits in the Inflation Reduction Act were to be repealed?
  - i. Should Illinois reconsider adoption of ACC II in that event? If not, why not?
  - ii. Should Illinois increase the state consumer tax credit to make up for the lost Inflation Reduction Act tax credit? If not, why not?
- 11. What additional policies, actions, funding, or other measures does Illinois need to implement to support more customers buying EVs? Are these necessary only if the proposed ACC II ZEV amendments are adopted? If not, why not?

#### **Questions for Tom Cackette – Technical Policy Consultant**

- 12. In your pre-filed testimony, you state that EV sales represented 9.1% of all new light-duty vehicle sales nationwide, yet in Illinois the 2023 EV market share was 7.8%.<sup>6</sup> How do you explain the fact that EV demand in Illinois lags the nation as a whole?
- 13. In your pre-filed testimony, you state that "[r]apid EV sales growth is expected to continue" in the future.<sup>7</sup> Are you aware that there is currently a backlog of EVs sitting on dealer's lots nationwide? If so, how do you explain your statement that rapid EV sales growth has occurred and is expected to continue?
- 14. In your pre-filed testimony, you state that the feasibility of a transition to 100% new ZEV sales by MY 2035 depends in part on the charging and refueling infrastructure.<sup>8</sup>
  - a. What is your best estimate for the number of publicly available chargers that would be necessary to support the number of electric vehicles required under the proposed Illinois ACC II program, if adopted, in 2030? In 2032? And in 2035?
  - b. What is your best estimate for the total cost of building out the number of publicly available chargers set forth above in each year? What is your position concerning who should bear those costs?
- 15. In your pre-filed testimony, you state that the feasibility of a transition to 100% new ZEV sales by MY 2035 depends in part on consumer demand.<sup>9</sup> Are you aware of how much money California has spent on incentives for consumer rebates and charging infrastructure to date, and how much is budgeted to achieve their ACC II goals?

<sup>&</sup>lt;sup>6</sup> Pre-Filed Testimony of Tom Cackette at 5.

<sup>&</sup>lt;sup>7</sup> Id.

<sup>&</sup>lt;sup>8</sup> Id. at 4.

<sup>&</sup>lt;sup>9</sup> Id.

- a. What level of consumer rebates over the next ten years would be necessary to support the level of electric vehicle sales required under the proposed ACC II amendments?
- b. What is your proposal for funding the consumer rebates discussed above?
- c. Will the addition of an Illinois rebate, in addition to current federal incentives, be capable of ensuring EV sales grow from 7.3% in Illinois to 59% by MY 2029?
- 16. Do you agree that achieving 100% electric vehicle sales by 2035 will require a massive increase in at-home charging capabilities?
  - a. Currently, what percentage of single-family residences in Illinois are equipped to handle level 2 charging?
  - b. Currently, how many level 2 chargers are available in multi-unit dwellings?
  - c. Currently, what percentage of Illinois residents in multi-unit dwellings have access to at-home level 2 charging?
  - d. What is your best estimate of the number of level 2 charging stations that would need to be installed in multi-unit dwelling locations throughout Illinois in order to achieve 100% electric vehicle sales by 2035?
  - e. What is your best estimate of the total costs of the number of required level 2 chargers referenced above? What is your position concerning who should bear those costs?
  - f. What is the difference in cost between public charging and at-home charging on a per-kilowatt basis?
  - g. To the extent that an EV owner lacks access to at-home charging and thus must therefore rely on public charging, please explain how it is fair and equitable to expect such an EV owner to incur the extra cost and inconvenience to charge their vehicles publicly?
  - h. Will this same light-duty infrastructure be usable by medium- and heavy-duty vehicles that are required to electrify under adoption of the proposed ACT program? And how much additional infrastructure investment will be required for ACT?
- 17. What is your best estimate concerning how much implementation of the proposed ACC II program would increase demand for electricity in Illinois?
  - a. What published studies or reports are you relying on for your answer to this question?

- b. If you have no estimate or data in response to this question, do you agree that the matter should be assessed by the Illinois Power Agency before adoption of ACC II?
- 18. To what extent would the electric grid in Illinois need to be expanded and improved to accommodate the increase in demand identified in the previous question?
  - a. What published studies or reports are you relying on for your answer to this question?
  - b. If you have no estimate or data in response to this question, do you agree that the matter should be assessed by the Illinois Power Agency before adoption of ACC II?
- 19. In the Statement of Reasons, it was stated that it is expected that ZEVs will cost \$3,000 less than gas-powered vehicles by MY2030.<sup>10</sup> The Statement of Reasons also states that battery costs have fallen to below \$100/kWh in 2023 based on a 2021 BloombergNEF study.<sup>11</sup> Are you aware of a more recent study completed in 2024 by Argonne National Lab that states these costs are closer to \$146/kWh in 2023?
  - a. Assuming battery costs are closer to \$146/kWh, where do you estimate the cost delta of EVs to ICEs will be by 2030?
- 20. What additional policies, actions, funding, or other measures does Illinois need to implement to support more customers buying EVs? Are these necessary or only if the proposed ACC II amendments are adopted? If no, why not?

# Questions for Brian Urbaszewski – Director of Environmental Health Programs at Respiratory Health Associates

- 21. In your pre-filed testimony, you state that the "Rules would require that the EV supply has a place to be sold, thus providing a solid, long term source of demand that increases over time..."<sup>12</sup> Please explain how your assertion that building more EVs in Illinois will result in an increase in consumers buying them.
- 22. What is the difference in cost between public charging and at-home charging on a perkilowatt basis?
  - a. Please explain

<sup>&</sup>lt;sup>10</sup> Statement of Reasons at 40.

<sup>&</sup>lt;sup>11</sup> Statement of Reasons at 41, n. 189.

<sup>&</sup>lt;sup>12</sup> Pre-Filed Testimony of Brian Urbaszewski at 10.

- b. how it is fair and equitable to expect non-homeowners to pay more to charge their vehicles publicly, and have to wait while their vehicles are charging, each week, than those who have charging available at home?
- c. How do you think the lack of EV charging at home will affect EV sales growth?
- 23. How do you propose that EV market share in Illinois will increase over 800% from its current 7.3% to 59% in 4 model years and continue to 100% in 10 model years (1400% increase)?
- 24. If the Board adopts the proposed ACC II amendments, the sale of internal combustion engine ("ICE") vehicles will be banned by MY2035, correct?
  - a. How will this affect the economy in Illinois if the state must meet California's investments in incentives and EV charging infrastructure to meet a ZEV mandate of 59% sales in MY2029 and banning of ICE vehicles by MY2035?
  - b. What will the effect be on the Illinois economy if consumers must visit other states to buy an ICE vehicle?

#### **Questions for all Witnesses**

- 25. Are you aware that in March 2024, the U.S. Environmental Protection Agency ("EPA") finalized its multi-pollutant rule that will reduce criteria pollutants by 50% over the lifetime of the program?
  - a. Is it correct that the EPA regulations will be in place for the U.S. as a whole and provide criteria emission benefits nearly identical to those promulgated under California's ACC II Low Emissions Vehicle IV program?
  - b. Can you please explain how adoption of California's Advanced Clean Cars II program will improve the air quality in Illinois if manufacturers must already meet the federal regulations?

Respectfully submitted,

ALLIANCE FOR AUTOMOTIVE INNOVATION

Dated: October 28, 2024

By: <u>/s/ Melissa S. Brown</u>

Melissa S. Brown HEPLERBROOM LLC 4340 Acer Grove Drive Springfield, Illinois 62711 <u>Melissa.Brown@heplerbroom.com</u>