ILLINOIS POLLUTION CONTROL BOARD February 18, 2025

IN THE MATTER OF:)	
)	
PROPOSED CLEAN CAR AND TRUCK)	R 24-17
STANDARDS: PROPOSED 35 ILL. ADM.)	(Rulemaking – Air)
CODE 242	Ś	· ·

HEARING OFFICER ORDER

On June 27, 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) proposed that the Board adopt a new Part 242 of its air pollution rules. On July 11, 2024, the Board accepted the proposal for hearing and held the first hearing, addressing Proponents' witnesses, on December 2, and 3, 2024. The Board scheduled the second hearing, addressing witnesses for the other participants (Participants), for March 10, 11, and 12, 2025, with prefiling deadlines of February 18, 2025, for written questions directed at the Participants' witnesses and March 3, 2025, for pre-filed answers.

The Board and its Staff have reviewed the pre-filed testimony filed by the Participants in this matter, and submit with this order their questions to those witnesses, included as Attachment A. Anyone may file a comment, and anyone may respond to the attached questions, as well as any other pre-filed questions on the record.

All filings in this proceeding will be available on the Board's website at https://pcb.illinois.gov in the rulemaking docket R24-17. Unless the Board, hearing officer, Clerk, or procedural rules provide otherwise, all documents in this proceeding must be filed electronically through the Clerk's Office On-Line. 35 Ill. Adm. Code 101.302(h), 101.1000(c), 101.Subpart J.

IT IS SO ORDERED.

Carlie Leoni

Hearing Officer

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ATTACHMENT A

R24-17

Proposed Clean Car and Truck Standards: Proposed 35 Ill. Adm. Code 242

Question Directed to All Witnesses

1. On February, 6, 2025, Commonwealth Edison (ComEd) announced \$100 million in new rebates designed to boost electric vehicle (EV) fleet purchases and charging stations across northern Illinois. The rebate program is discussed in a February 11, 2025 Canary Media article, titled "Illinois' largest utility unveils \$100M to spur EV adoption". The Board takes notice of this article, attached hereto as Attachment B, under Section 101.630 of the Board's procedural rules. *See* 35 Ill. Adm. Code 101.630. As discussed in the Canary Media article, ComEd's program helps meet the mandate for the State's CEJA [Climate and Equitable Jobs Act], which calls for 1 million EVs on the roads by 2030. Of the \$100 million, \$53 million is available for business and public-sector EV fleet purchases, \$38 million is designed to upgrade infrastructure for non-residential charger installations, and nearly \$9 million is intended for residential charging stations. This money is in addition to \$87 million announced last year for similar incentives.

Participants have noted the shortfall of money and infrastructure needed to make 100% zero-emission vehicle (ZEV) sales by 2050 a reality. However, as the ComEd announcement purports, there are non-governmental entities that are already contributing toward the needed infrastructure and financing. Is it Participants' position that market forces and other rebate and incentive programs would not contribute significantly to the ZEV mandate requirements of the proposed rule? If so, why?

Questions Directed to Matthew Hart, Illinois Trucking Association

- 2. On page 2 of your testimony, you state that the proposed rules will fail to achieve the emissions reduction goals because the rules do not apply to trucks registered and sold outside of Illinois like our neighboring states of Indiana, Missouri, and Wisconsin.
 - a. Do you have any information on the breakdown of trucks operating on Illinois roads that are owned/registered in Illinois as opposed to those owned by/registered to out-of-state entities? If so, please submit such information into the record.
 - b. Please comment whether the adoption of the proposed rules would reduce the number of trucks owned/registered in Illinois with companies moving their location outside Illinois to neighboring states.
 - c. Please comment on whether any other midwestern states are considering the adoption of advanced clean truck standards rules.

3. On page 2 of your testimony, you state, "[j]umping to 20% Electric Truck Sales in less than two years as this regulation would require is simply not possible." Please comment on what would be a realistic timeframe that would make the rules work for the trucking industry to achieve 20% sales as well as providing for charging infrastructure.

Questions Directed to Matt Wells, Mid-West Truckers Association

- 4. On page 3 of your testimony, you state, "of the last three years that include 2022, 2023 and 2024, out-of-state based carriers recorded more than 68% of the miles traveled in Illinois." Please comment on how the Illinois' out-of-state based carriers' percent miles traveled compares with that of California.
- 5. On page 4 of your testimony, you state that "[u]nlike California, Illinois cannot close its borders to non-compliant vehicles to keep them from entering the state. Unknown to the common individual is that California Air Resources Board (CARB) has commercial truck regulations that prohibit out of state non-compliant vehicles from California" which helps California to significantly improve the impacts of Low NOx and ACT regulations.
 - a. Please provide a citation to the CARB commercial truck regulations that prohibit out-of-state, non-compliant vehicles from entering California.
 - b. Additionally, if any case has been filed challenging these specific CARB commercial truck regulations, please provide the case name, case or docket number, court, when the case was filed, and the current status (e.g., whether the case is still pending or has been resolved).
- 6. Also, the article cited in your testimony appears to indicate that the "Clean Truck Check" program applies to non-gasoline vehicles and requires them to meet exhaust emissions standards.
 - a. Please clarify whether diesel trucks would be able to continue operating in California if the vehicle's onboard diagnostic system (OBD) indicates compliance with separate emissions standard.
 - b. If similar requirements are adopted in Illinois, please comment on whether Illinois companies "will have to outsource" transportation service to other states.
 - c. Also, please comment on whether public entities such as school districts will be forced to out-source transportation.

Questions Directed to Mike Stieren and Larry Doll, Illinois Automobile Dealers Association

7. On page 1 of your joint testimony, you state, "Illinois dealers invested more than \$171,000,000 million in preparing for the sale and service of electric vehicles, underscoring our commitment to the EV transition."

- a. Please clarify whether you meant the investment was \$171 million.
- b. Please elaborate on how this amount was spent to advance EV transition.
- c. Please comment on whether this investment includes any government subsidies.
- 8. On page 8 of your joint testimony, you state that to meet the proponents' target for the MY 2029 ZEV sales requirement of 59%, Illinois would need to sell 321,625 zero-emission vehicles in 2028. Please comment on whether the MY 2029 sales target is consistent with the CEJA target of 1 million electric vehicles on Illinois roads by 2030.
- 9. On pages 6-9 of your joint testimony, you suggest that manufacturers' supply of and consumers' demand for EVs is stalling or declining. Further, on pages 21-22, you note that IDOT's projection that of "a \$36 billion infrastructure funding shortfall by 2050 due to declining reliance on fossil fuels, even without the accelerated ZEV adoption proposed under ACC II." Please explain this apparent contradiction in your statements regarding a stalled demand for EVs and a funding shortfall due to a decline in reliance on fossil fuels.

Questions Directed to Steven Douglas, Alliance for Automotive Innovation

- 10. In your summary of US vehicle emission regulations, you mention the requirement that if states adopt California's standards, they must be identical, and automakers must be given at least two years of lead time. In your opinion, under section 177 of the Clean Air Act, can states adopt California vehicle emission standards for different model years than those used in the California standards?
- 11. On page 7 of your testimony, you state that "Illinois residents already have an abundance of EVs to choose from (perhaps even an *over*abundance) should they desire to purchase one."
 - a. Please comment on whether you consider the currently available EVs to be affordable alternatives to low or mid-level priced gas-fueled cars and SUVs.
 - b. If not, do you believe a ZEV mandate would accelerate the availability of lower cost EVs?
- 12. On page 8 of your testimony, you state, "Maine and New York adopted California's ZEV mandate decades ago, yet their ZEV sales are not significantly different than Illinois ZEV sales." Please clarify whether the ZEV mandates you are referring to are the same as those being proposed in this rulemaking. If not, please explain for the record what ZEV mandates you are comparing in your statement.
- 13. On page 10 of your testimony, you state that under the Clean Air Act, "other states can adopt California's regulations so long as they are identical to California's and automakers are given at least two years of lead time." Please comment on whether the two-year lead

- time for automakers can be extended to allow for car and truck sales to reach the proposed ZEV targets. If so, what would be a reasonable timeline for Illinois?
- 14. On page 16 of your testimony, Figure 4 excludes Tesla sales from the Illinois ZEV market. On page 7 of your testimony, you mention that EV-only manufacturers like Tesla do not sell their cars through the traditional dealership model.
 - a. How do non-dealership sales from EV-only manufacturers affect the amount of EV sales needed from conventional dealerships to meet the proposed ZEV sales targets under the proposed rule?
 - b. Please comment on whether the proposed rule should account for the sale of EVs that occur outside of conventional dealerships.
- 15. On page 10 of your testimony, you note that "there are currently two sets of vehicle emissions standards: a federal program, overseen by EPA (Tier 3 and Tier 4), and a California program (ACC I and ACC II) overseen by CARB."
 - a. Please comment on whether implementation of the proposed CARB emissions standards in Illinois would conflict with USEPA's rules.
 - b. Please comment on whether any federal action taken since the Board opened this docket has any effect on the Board's authority to adopt the CARB rule or on the economic reasonableness or technical feasibility of doing so.

Questions Directed to Mary Tyler, Indiana, Illinois, Iowa Foundation for Fair Contracting

- 16. On page 2 of your testimony, you note that your testimony relies on several reports that address the impact of EVs on transportation funding as well as general transportation funding in Illinois. Please comment on whether any of these reports considered the benefits of transitioning to EVs in terms of reduction of greenhouse gases as well as health benefits for Illinois residents.
- 17. On pages 4-5 of your testimony, you state that increased adoption of EVs and other low emission vehicles under the proposed rules and CEJA would increase the deficit of road infrastructure funds due to a decrease is the motor fuel tax (MFT) as well as sales tax. You note that existing EV owners currently pay an annual fee of \$100 to offset the lost revenue from the MFT. Please comment on whether the annual registration fee on EVs could be further increased legislatively to address the shortfall in MFT and sales tax because of the expected transition to EVs under the proposed rules.
- 18. On page 5 of your testimony, and more fully elaborated in the ILEPI January 2023 Report, you state that "...improved vehicle efficiency and the increased reliance on EVs will present a longer-term fiscal challenge for policymakers." You identify increased infrastructure maintenance backlogs, decreased funding for vital transit systems, and

decreased local government funding as some of the consequences from the decreased revenue from the motor fuel tax due to the proposed rule.

Improved vehicle efficiency and increased consumer reliance on EVs has been occurring without the proposed rule already, which has resulted in significant reductions in motor fuel tax revenues, as the ILEPI data represents. Given improved vehicle efficiency and increased consumer reliance on EVs, if the proposed rule is not adopted, what is your position on the long-term feasibility of continuing to tie the funding for these vital systems – infrastructure, transit, and local government – to a tax on motor fuel?

ATTACHMENT B



• CANARY MEDIA

Clean energy journalism for a cooler tomorrow

Illinois' largest utility unveils \$100M to spur EV adoption

ComEd rolled out the new incentives, which support fleet purchases and charging infrastructure upgrades, in the run-up to the Chicago Auto Show.



By Audrey Henderson 11 February 2025











Joined by government officials and advocates, ComEd leaders announced the utility's newest EV rebates at an event in Chicago on Feb. 6, 2025. Melissa Washington, ComEd's senior vice president of customer operations and strategic initiatives, is pictured fourth from left, and Susan Mudd, senior policy advocate at the Environmental Law and Policy Center, is pictured fifth from left. (Audrey Henderson)

As the Trump administration attempts to block billions of dollars in federal funds for electric vehicle charging, an Illinois utility is moving forward with a massive investment to promote

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Of the \$100 million, \$53 million is available for business and public-sector EV fleet purchases, while nearly \$38 million is designated to upgrade infrastructure for nonresidential charger installations. An additional nearly \$9 million is intended for residential charging stations.

The money is in addition to \$87 million announced last year for similar incentives.

Funding for the rebate programs comes from distribution charges and "has nothing to do" with the federal government, Melissa Washington, senior vice president of customer operations and strategic initiatives at ComEd, said during an interview. This means that there is no risk of withholding or reductions from the Trump administration.

Washington anticipates continued high levels of interest and engagement in the programs.

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"Based upon what we saw last year, there was a quick demand. Applications came right away the minute we opened it up. I would imagine people will be going on [ComEd's website] and immediately trying to see what we have available for them," Washington said.

Since launching its EV rebate program last year, ComEd has funded projects in more than 300 ZIP codes, including nearly 3,500 residential and commercial charging ports, and provided funding for municipalities, businesses, and school districts to purchase more than 200 new and pre-owned EV fleet vehicles. The utility designated more than half the available rebate funds for low-income customers and projects in environmental justice communities.

ComEd also partners with the Chicago-area Metropolitan Mayors Caucus on the EV Readiness Program, which helps local governments create ordinances and safety and infrastructure plans to accommodate the growing demand for EVs in their communities. Since its initiation, more than 41 northern Illinois municipalities have participated in the program.



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"During the last four years, the federal government was a reliable partner with policies and programs that helped propel electric vehicle production and implementation and updated standards to save consumers money while cleaning up the air," Mudd said at the press conference. "That order has already meant that students who would already be riding quiet zero-emission buses are still on old, dirty diesel ones, and the business that was to deliver them can't get paid.

"While the new administration is willing to sacrifice the health of people across the U.S. and the world, thankfully, we in Illinois can continue to improve things," Mudd said.

Electric vehicles	Clean fleets EV	charging Utilities	Midwest	Illinois

<u>Audrey Henderson</u> is a contributing reporter at Canary Media focused on environmental justice and equity. She lives in the greater Chicago area.

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