Comment of the Illinois Chamber of Commerce in IPCB R2024-17: Proposed Clean Car and Truck Standards

The Illinois Chamber of Commerce ("the Chamber") appreciates the opportunity to provide comment on the proposal to adopt California's Advanced Clean Cars II, Advanced Clean Trucks, and Heavy-Duty Low NOx Omnibus regulations in Illinois. The Chamber is a state-wide association committed to advancing a strong and competitive business climate across Illinois. Its more than 3,000 members represent a broad array of sectors; retail, manufacturing, infrastructure, construction, chemical production, refining, and energy, many of which would be directly affected by the proposed adoption of California's vehicle emissions rules. The Chamber advocates for policies that promote job creation, investment, and sustained economic growth, and regularly participates in regulatory and legal proceedings where businesses are at risk.

The Chamber has a vital interest in this proceeding due to the significant impact it would have on many of our members and urges the Board to not proceed to First Notice because of the sweeping economic implications for Illinois businesses and the feasibility of the proposed implementation timelines, as well as the lack of legislative authority for such action.

Before detailing those concerns, however, the Chamber must note that it supports efforts to improve air quality and the promotion of infrastructure and transportation policies that benefit the environment. The Chamber has members engaged in renewable energy development, including the manufacturing of components for such development, and manufacturers of electric vehicles and EV charging stations. We therefore do not oppose this proposal lightly. But Illinois can appropriately manage the transition and make meaningful environmental progress through deliberate and inclusive lawmaking. That process involves public hearings, robust debate, and

stakeholder engagement, not regulatory action that provides a "take it or leave it" approach to adopting California's clean car standards.

I. Economic Implications

The proposed electric vehicle sales quotas and accelerated deadlines present severe logistical and financial challenges for fleet operators, retailers, and manufacturers alike, and the costs of fleet transition are prohibitive. The Chamber echoes the well-articulated and serious concerns raised by our fellow organizations, the National Federation of Independent Business (NFIB) and the Illinois Farm Bureau. An extraordinary percentage of the NFIB's members foresee serious operational impacts from adopting California's rules, and a third indicated that they may close or sell if mandates are enacted. Half would consider leaving the state. Inflation is already the top concern for these businesses. Additional vehicle mandates would further exacerbate cost pressures, risking closures and job losses. Similarly, the Illinois Farm Bureau underscores the deep impact on agriculture. The proposed rules would increase costs for farmers already operating on thin margins and would harm their ability to transport perishable goods and livestock efficiently. Moreover, farmers support continued investment in biofuels, which offer immediate, cost-effective, and emissions-reducing alternatives without sacrificing reliability or economic competitiveness. This proposal would render those investments nearly worthless. Further, Illinois businesses, especially small and mid-sized enterprises, would be placed at a significant disadvantage compared to those in neighboring states not subject to these mandates.

II. Implementation Challenges

Despite the delayed implementation date, there are real questions about whether the State can meet the necessary infrastructure needs to support this proposal in a timely fashion. Illinois is facing a well-publicized "reliability cliff" as it transitions to 100% clean energy system, with

concerns about grid reliability, potential energy shortages, and rising costs. This cliff is attributed to a number of factors, including growing energy demands, and this proposal at this time would likely exacerbate those concerns. Further, rural Illinois is woefully underserved in terms of charging infrastructure and unlikely to receive timely grid upgrades, casting further doubt on the feasibility of compliance.

III. Legislative Authority

The Chamber supported the earlier efforts of other participants challenging the legal authority to proceed with the proposal. While the Board ultimately declined to dismiss the proceeding for lack of statutory authorization, the Chamber encourages the Board to reflect on the numerous failed attempts to adopt legislation authorizing a California-styled approach in Illinois, as well as the absence of provisions within the Environmental Protection Act authorizing such extensive regulation of motor vehicle standards. We urge the Board to consider the importance of garnering the General Assembly's imprimatur before proceeding with such sweeping changes.

IV. Conclusion

As briefly noted above, the Illinois Chamber of Commerce generally supports policies that encourage the manufacture of electric vehicles and the infrastructure necessary to support them. But this transition needs to be managed in a thoughtful fashion that takes into account Illinois' circumstances. For this reason, as well as those stated above, the Illinois Chamber of Commerce urges the Board to reject proceeding with this proposal. Illinois should pursue clean transportation strategies that reflect its own legislative priorities, economic conditions, and infrastructure capacity – not adopt a one-size-fits-all mandate crafted for another state's market.

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The Chamber stands ready to support a balanced, incentive-based path forward that protects both our environment and our economy.