From: Horton, Vanessa
To: Brown, Don

Subject: FW: Request for Guidance on R24-17 Proposed Clean Car and Truck Standards

Date: Friday, October 11, 2024 8:27:13 AM

Attachments: image001.pnq

Fact Sheet HB 1634 - EV Mandate.docx

Mr. Clerk,

Please docket the emails below along with the attachment as a public comment in R24-17.

Thank you,

Vanessa Horton
Attorney Advisor
Illinois Pollution Control Board
60 E. Van Buren St., Suite 630
Chicago, IL 60605
(312) 814-5053
Vanessa.Horton@Illinois.gov

From: Horton, Vanessa

Sent: Friday, October 11, 2024 8:24 AM

To: Mike Stieren <mstieren@illinoisdealers.com>

Subject: RE: Request for Guidance on R24-17 Proposed Clean Car and Truck Standards

Mr. Stieren,

Thank you for your inquiry. I am one of the assigned hearing officers for this rulemaking, docketed R24-17. To begin, the staff of the Illinois Pollution Control Board cannot participate in *ex parte* communications with participants in matters that come before the Board. As such, I will be asking the Clerk of the Board to docket your email and attachments as a public comment in this rulemaking. Boards staff members are able to discuss questions of a procedural nature, such as filing requirements, deadlines, and hearing dates and locations. If you have questions on those issues, you may contact the Clerk of the Board, Don Brown, at don.brown@illinois.gov and (312) 814-3669.

I note you are on the notice list for this rulemaking. That will provide you with notice of all hearing officer orders and Board orders filed in this matter. You attached the August 21, 2024, notice of hearing to your email – that notice sets the dates for the first hearing in this rulemaking, and the hearing officer order that follows the notice sets the deadline for pre-filing questions. Anyone may file written public comments with the Board on this rulemaking and if you need assistance with how to file a comment, please feel free to reach out to our Clerk. Additionally, a period for oral public comment has been set aside during the first hearing –

December, 2, 2024 from 1 p.m. to 2 p.m.

Sincerely,

Vanessa Horton
Attorney Advisor
Illinois Pollution Control Board
60 E. Van Buren St., Suite 630
Chicago, IL 60605
(312) 814-5053
Vanessa.Horton@Illinois.gov

From: Mike Stieren < mstieren@illinoisdealers.com >

Sent: Thursday, October 10, 2024 3:48 PM

To: Horton, Vanessa < <u>Vanessa.Horton@Illinois.gov</u>>

Subject: [External] Request for Guidance on R24-17 Proposed Clean Car and Truck Standards

Good afternoon Ms. Horton,

I hope you are doing well. My name is Mike Stieren, and I am the Director of Legislative Affairs for the Illinois Auto Dealers Association (IADA).

I am writing to seek your guidance on the matter of R24-17, concerning the proposed Clean Car and Truck Standards. The IADA has significant concerns about this proposed rule, especially given our successful efforts to help defeat related legislation earlier this year that would have mandated the IEPA to adopt these regulations. For your convenience, I attached our fact sheet for legislation HB 1634 (Gonzalez) which expressed our concerns.

As I am still familiarizing myself with the Illinois Pollution Control Board's (IPCB) rulemaking process, I would greatly appreciate it if you could advise us on the next steps in this matter. Specifically, I would like to understand what actions you would recommend for us to voice our opposition effectively.

Additionally, I would be happy to schedule a time to discuss this further with you.

Thank you in advance for your time and assistance, and I look forward to hearing from you.

Best regards,

Mike

Mike Stieren Director of Legislative Affairs Illinois Automobile Dealers Association

Phone: (217) 753-0220 Cell: (217) 725-2208

mstieren@illinoisdealers.com



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Electronic Filing: Received, Clerk's Office 10/11/2024 ILLINOIS AUTOMOBILE DEALERS ASSOCIATION HOUSE BILL 1634—REPRESENTATIVE Gonzalez



ADOPTS CALIFORNIA REGULATIONS OF 100% EV MANDATE BY 2035 WE OPPOSE

SUMMARY

HB 1634 amends the Vehicle Emissions Inspection Law of 2005 of the Illinois Vehicle Code. Requires the Illinois Environmental Protection Agency to adopt rules to implement California motor vehicle emissions standards, including, but not limited to (1) zero-emission vehicle program, (2) low-emission vehicle program, (3) advanced clean trucks program, and (4) heavy-duty low NOx omnibus program. Effective immediately.

BACKGROUND

In 2022, California adopted new motor vehicle emission standards under their Advance Clean Cars II Program (ACC II). ACC II requires that all new passenger cars, trucks, and SUVs sold in California be zero emissions by 2035. The regulations are two-pronged. First, it sets targets for zero-emission vehicle (ZEV) sales. By 2026, the mandate requires that 35% of all new vehicles sold must be ZEVs. This percentage increases to 51% by 2028, 88% by 2033, and 100% of all new vehicle sales be zero-emission by 2035. Second, the Low-Emission Vehicle Regulations contain increasingly stringent standards for gasoline cars and heavier passenger trucks.

Illinois' auto dealers are essential to selling and servicing EVs and have already invested millions of dollars in EV inventory, tools, equipment, training, and infrastructure. However, adopting California's regulations under their ACC II program would fundamentally limit a consumer's choice of automobile, despite the current hesitations over EV cost, range, charging access, and reliability.

Unlike California, which has spent more than a decade investing in EV infrastructure to support its EV transition, Illinois currently lacks adequate charging facilities, making the imposition of California's standards impractical.

Without appropriate safeguards, these new regulations risk incentivizing Illinoisans to go out of state to purchase gasoline-powered vehicles, undermining the fundamental emissions goals of HB 1634.

KEY POINTS:

- 1. **Consumer Choice and Market Readiness**: The ACC II program's mandate for a complete shift entirely to electric vehicle (EV) sales by 2035 will restrict consumer choice, making reliable transportation unavailable to Illinois residents.
 - Many consumers remain hesitant toward EV adoption for several critical reasons, including the cost of the vehicle, proximity to adequate charging, battery range, and reliability in harsh climates.
 - Despite the increased number of EVs being sold, the U.S. inventory of electric vehicles currently outweighs its demand. In 2023, the U.S. inventory of electric vehicles stood at a 114-day supply, up from only 53 days for EVs in 2022. and 71 days for the auto industry when all powertrains (internal combustion engines, hybrids, etc.) are considered.²
 - The transition to EVs must align with genuine market demand and readiness, ensuring that advancements in EV technology and infrastructure development keep pace with regulatory mandates.
- California's ACC II Program may make sense for California, but it should not be seen as an adequate solution in Illinois: California's ACC II included additional measures to support the transition to zero-emission vehicles (ZEVs), such as investments in charging infrastructure, incentives for ZEV purchases, and support for technological advancements.
 - The regulations in California's ACC II were backed by a \$2.4 billion dollar investment in vehicle incentives, charging infrastructure, and public outreach.
 - California has more than 15,000 public charging stations, while Illinois currently only has 1,246 public charging locations.

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- According to a recent Chicago Sun-Times Article, EVs are registered in all 77 community areas in Chicago, but more than 40 of those areas have no EV chargers.
- o <u>Illinois simply lacks the charging infrastructure in both rural and metropolitan areas like Chicago, making adopting California's regulations unfeasible given the current infrastructure.</u>

3. The "J.D. Power 2023 U.S. EVX Public Charging Study" highlights significant consumer frustrations with the public EV charging infrastructure:

- Public charging stations are scarce, expensive, and unreliable.
- The study suggests a need for strategic placement of chargers and improvements in charging speed and reliability to enhance consumer satisfaction and support EV adoption.

4. Federal Regulations Mandating EV Sales Currently Before the EPA:

The Federal EPA has proposed new emissions standards that would effectively require 67.5% of U.S. vehicle sales to be electric by 2032. The rule is expected to be finalized by March 2024. Illinois could wisely wait and see what impact those federal rules have on the EV market before contributing to a confusing patchwork of state regulations.

5. Grid Capacity and Enhancements for EVs

- Before Illinois mandates the mass adoption of EVs, assessing and bolstering the electrical grid will be
 essential to ensure grid reliability and avoid outages. Such an accelerated transition may necessitate
 substantial upgrades to the grid, potentially increasing costs to ratepayers.
- o In 2022, the California Independent System Operation (CAISO) asked its residents not to charge their EVs during peak hours due to a power shortage to conserve energy, emphasizing the need for grid preparation before strict EV policies. This incident underscores the importance of preparing our grids before implementing strict EV policies. Like California, Illinois has also committed to moving to a carbon-free grid by 2045.

COMMENTS

• The Illinois Automobile Dealers Association, representing more than 700 franchises of new car and truck dealers, opposes HB 1634. For more information, please contact Mike Stieren at 217-753-0220.