C.E.H.A.J.
coalition for environmental health and justice

Michael Cano, Deputy Executive Officer
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Countywide Planning & Development
Los Angeles Metro
One Gateway Plaza
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Via email: canom@metro.net

February 23, 2022

Re: I-710 Task Force- Zero-Emissions Truck Program (formerly "Clean Truck Program") Working Group Meeting #3

Dear Mr. Cano:

On behalf of the undersigned organizations and members of the Coalition for Environmental Health & Justice ("CEHAJ"), this letter provides comments for the upcoming Clean Truck Program ("CTP") Working Group Meeting #3. As the next working group meeting will focus on priority setting for the local CTP, we offer the following observations, data and comments to help frame our discussions.

Metro Should Reaffirm its Commitment to Deploying Only Zero Emissions Solutions through the Priority Setting Process

As we engage in priority-setting discussions for the CTP, Metro must reaffirm its commitment to only exploring Zero-emissions solutions for the I-710 Corridor—a commitment that CEHAJ and several community groups have demanded for decades. Such a commitment to zero emissions solutions is in line with the Board of Directors' October of 2021 motion. The Board approved $50 million to create a new CTP. Unlike past iterations of the CTP, this new program will be developed with community and stakeholder input and will not entertain half-measures like "near zero" technology, but instead commit to using limited public funds to advance zero emissions solutions.

We were pleased to hear you restate Metro's commitment to Zero Emissions at our last 710 Task Force Meeting. We welcome the renaming of the program the "Zero-Emissions Clean Truck Program" to better align the program with Metro's goals for this initial investment. While there are other agencies that may take a different approach to truck emissions, including those that have decided to invest limited public funds on technology that prolongs the region's dependence on fossil fuels, we strongly believe that Metro's decision to only focus on zero-emissions solutions for the south I-710 corridor has the potential to better serve the community and the environment if done correctly.

As we discuss the parameters of such a zero-emissions program, it is critical that we center our conversations on community health and wellbeing by ensuring that any investment to deploy zero emissions technology provides tangible and measurable benefits to the communities most impacted by

goods movement along the I-710. As we discuss in greater detail below, ZE strategies for the corridor are not only feasible but advantageous as compared to other alternatives from a public health, climate, and long-term financial perspective. In exploring these strategies, we urge Metro to ensure that investments in ZE result in co-benefits such as high road jobs and training for local residents, are aligned with community needs, and do not inadvertently result in displacement.

The Economic Advantage of Zero-Emissions Trucks over Diesel and Gas is now Well Established

At prior Working Group meetings, we heard concerns raised by industry groups about the cost and feasibility of deploying Zero-Emissions trucks to serve the I-710 corridor. While current upfront purchase costs for ZE trucks may be higher than their combustion alternatives, numerous studies show that current Total Cost of Ownership ("TCO") for a large battery-electric semi-truck is in fact less than a diesel equivalent. As the decade progresses, the cost of battery-electric semi-trucks will drop even lower, whereas diesel trucks are expected to increase in costs, or remain stagnant. The TCO analysis by UC Berkeley's School of Public Policy, for example, examined upfront costs, fuel costs, maintenance, health, environmental externalities, and the cost of infrastructure installation and demonstrated a dramatic cost advantage for Class 7-8 tractor EV's over their diesel equivalents.[1] Even setting aside the environmental damage costs of combustion technology, as of two years ago, ZE Class 7-8 trucks have a comparable TCO to diesel models and are set to have a clear TCO advantage by 2025.[2]

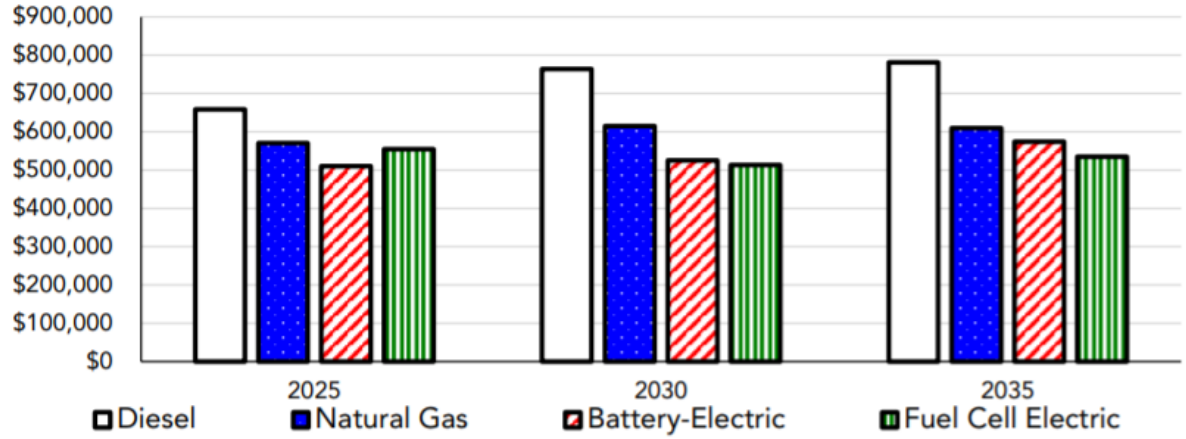
The California Air Resources Board recently undertook a TCO analysis comparing diesel to battery-electric day cab semi-trucks (trucks used for trips less than 250 miles) and included in its analysis the costs of infrastructure investment. In that report, battery-electric day cabs proved to be more cost effective- with significant savings starting in 2025. By 2030, a battery electric day cab operating in drayage duty cycle is expected to have a 31 percent lower TCO versus diesel, equal to a savings of $239,000.[3]

[1] *Plummeting Costs and Dramatic Improvements in Batteries Can Accelerate Our Clean Transportation Future*. UC Berkeley Goldman School of Public Policy (June 2021); available at :http://www.2035report.com/transportation/wp-content/uploads/2020/05/GridLab_2035-Transportation-Appendix.pdf?hsCtaTracking=c4d392a4-96ff-474c-86c3-bfa335c67aa2%7Ce2107ae8-40d7-44ff-8b5b-72016d87fe98

[2] *Id*. at 29.

[3] California Air Resources Board, Draft Advanced Clean Fleets Total Cost of Ownership Discussion Document (September 2021), available at: https://ww2.arb.ca.gov/sites/default/files/2021-08/210909costdoc_ADA.pdf.

Figure 5: Day Cab Tractor TCO Comparison



Essentially, what this demonstrates is that Zero-emissions alternatives to diesel, or even methane gas trucks, are the superior alternative when it comes to TCO in addition to being superior from an air pollution and greenhouse gas emissions perspective. Newer studies show even more starkly positive results in favor of zero-emissions: a 2022 study last month by Environmental Defense Fund (EDF) and Roush found not only that electric trucks had payback periods ranging from "immediate" to 3 years starting today, but that by 2027, even the upfront price of ZEVs was lower than diesel in almost every category assessed.[4] Metro is right to focus its limited funding on the deployment of ZE technology and avoid "near-zero" alternatives that will only serve to tether the region to fossil fuels and end up costing more in the long run.

Significant Public and Private Investment will help many overcome the most significant barrier to widespread adoption of Battery-Electric Semi-Trucks

According to CARB, charging infrastructure has emerged as the largest current issue preventing the widespread usage of heavy-duty battery-electric trucks.[5] Fortunately, there has been significant investment by several entities in medium and heavy-duty charging infrastructure. Further, the cost of charging infrastructure per vehicle diminishes significantly as the volume of vehicles increases. Therefore, these investments allow the battery-electric semi-truck market to circumvent the high costs currently associated with early charging infrastructure development and helps to create economies of scale for future buyers.

Federal and state dollars may assist to defray initial up-front costs of ZE truck deployment. On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law.[6] The law includes $2.5 billion in grants of up to $15 million for charging infrastructure, including for

[4] https://www.edf.org/epa-should-adopt-rigorous-pollution-standards-help-ensure-adoption-zero-emission-trucks-buses
[5] California Air Resources Board, *Heavy-Duty Investment Strategy*, at D-41 (Sep. 20, 2019) https://ww2.arb.ca.gov/sites/default/files/2019-09/fy1920fundingplan-appd.pdf.
[6] H.R. 3684 – Infrastructure Investment and Jobs Act

Medium and Heavy-duty vehicles.[7] An additional $2.25 billion is allocated toward the Port Infrastructure Development Program, which dedicates funding for Port electrification, including for "electric vehicle charge or hydrogen refueling infrastructure for drayage, and medium or heavy-duty trucks and locomotives that service the port and related upgrades."[8] An additional $5 billion is available for a National Electric Vehicle Formula Program which provides funding to States to "strategically" deploy EV charging infrastructure. Medium- and Heavy-Duty charging infrastructure would also likely be eligible for the $6.42 billion Carbon Reduction Program dedicated to efforts to reduce environmental and public health impacts of freight movement and lower transportation emissions at port facilities.[9]

In addition to Federal funding, California's Budget allocates significant funding toward medium- and heavy-duty charging infrastructure – especially for Ports and drayage. The 2021 Budget that has already been approved commits $470 million to ZE drayage trucks and infrastructure and $65 million to large ZE drayage and infrastructure pilot projects.[10] In this year's proposed budget, an additional $475 million is allocated to ZE drayage and infrastructure projects, $1.1 billion is dedicated to clean trucks, buses, and off-road equipment and infrastructure, and $400 million is dedicated specifically toward electrification at Ports.[11]

The California Public Utilities Commission ("CPUC") has approved significant investments proposed by California's major public utilities in medium and heavy-duty charging infrastructure.[12] For example, in 2018, the CPUC approved Pacific Gas & Electric's ("PG&E") proposed investment of $236 million to support medium and heavy-duty charging infrastructure installations across their service territory.[13] The CPUC in 2018 also approved Southern California Edison's ("SCE") proposed investment of $343 million to support medium and heavy-duty charging infrastructure installations in its service territory.[14] In 2019, the CPUC approved a similar program proposed by the San Diego Gas and Electric ("SDG&E"), although the exact dollar amount is unclear at this point.[15] Altogether, these investments will support the development of charging infrastructure for *at least* 18,000 trucks and busses. Therefore, although charging infrastructure is a significant barrier to widespread usage of heavy-duty vehicles, the almost $1 billion dollars already committed to building this infrastructure by California's utilities is a huge step in overcoming this barrier.

With these significant federal and state funding sources positioned to help assist many of the stakeholders involved in the 710 Task Force, including agencies like the ports, Metro must ensure that its limited funding is used strategically to bring the greatest benefits to impacted communities

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[7] Atlas EV, The Infrastructure Investment and Jobs Act (Accessed Jan. 31, 2022) https://www.atlasevhub.com/materials/invest-in-america-act-h-r-3684/.
[8] Id.
[9] Id.
[10] Office of the Governor, Governor's Budget Summary – 2022 (Accessed Jan. 31, 2022) at 83 http://www.ebudget.ca.gov/FullBudgetSummary.pdf.
[11] Id.
[12] In Concordance with SB 350 (De Leon, Chapter 547, Statutes of 2015), https://www.cpuc.ca.gov/sb350te/.
[13] *Id.*
[14] *Id.*
[15] *Id.*

along the I-710. To the extent funding will be made available to the ports and other entities through federal and state programs, Metro's limited funding should not duplicate these efforts but instead focus on targeted projects that will steer greater investment in, and opportunity for, the communities along the I-710.

As CEHAJ has raised before, cities and communities along the I-710 corridor already bear the brunt of air pollution, toxic contamination, disproportionately higher levels of pollution-related health problems, unstable and poorly paid jobs, and other social injustices. Any plans to spend millions of dollars in the I-710 corridor should be done in a manner that benefits corridor residents, who are primarily low-income communities of color and contribute their tax dollars to public projects. For these reasons, in addition to advancing a zero-emissions corridor, any project along the I-710 corridor must ensure: 1) no displacement of either residents or businesses result from any investment; 2) provide a commitment to locally targeted hiring for any work done along the corridor; 3) support projects aligned with community needs and not those that merely serve industry interests**;** and 4) a real commitment and strategy to mitigate the air pollution and health impacts from any project construction and operations.

We appreciate your consideration of the issues raised in this letter and look forward to our discussion at the next working group meeting.

Sincerely,

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