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New Jersey Department of Environmental Protection
Division of Air Quality
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Dear Division of Air Quality: PACT Rule Team,

Thank you for the opportunity to provide comments on the California Advanced Clean Truck Regulation that the Department is considering for proposal. We have many concerns with the Department's potential proposal and we will outline them below.

First, as we have previously stated in numerous venues, we generally support the Governor's goals of attaining a carbon neutral energy policy by 2050. Carbon neutral policies allow for flexibility and innovation. We also recognize the importance the transportation sector has in carbon reductions. The real questions are how we get there and how quickly and at what cost. We also continue to emphasize the need to consider cost, economic impacts, and energy reliability.

As more of the transportation sector, as well as the building sector, becomes electrified, there will be significant needs to increase our energy infrastructure. This will come at significant expense and raises the issues of energy reliability. By many estimates, we would need to double or triple our electrical production. Where is this coming from? While the EMP proposes answers, those projections are not feasible with current technology, certainly are not affordable, and are much more aspirational than they are operational. We should not move toward the full electrification of our vehicle fleets until we know where the electricity is coming from and what the impacts of this policy would be.

Adoption of the California Advanced Clean Truck Regulation is not appropriate at this time. First, there is no need to rush forward with a proposal whose benefits are decades away, which technology is not established, and whose costs are not defined. Further, the Department does not have a firm understanding of those issues at this time, and likely won't in the near future. There are too many unknowns especially about technology, at this point in time.

The Department also does not have a good understanding as to how the California program would work in practice. While we adopted the California program for passenger vehicles and light duty trucks, provisions in the California CARB regulations, such as the travelling and banking provisions, ensured that the state benefited from enhanced EV sales, but not the other states participating. Are there similar provisions in the Truck Regulation?

As we detailed in our comments to the stationary source proposals, which we incorporate by reference here, the EMP does not require that the Department take immediate actions. The Rocky Mountain Institute, the consultant who did the modeling for the EMP, in fact recognized that the assumptions used to develop the EMP were highly speculative and that the EMP should only be used for short term (*i.e.* 1-3 years) decision making. The EMP will be readopted every three years and new regulations can be adopted to meet its goals at those times, as the understanding of technologies, costs, and impacts grow.

While we also appreciate the stakeholder meetings that have been held, and we understand that another round may be held, this is not sufficient to allow the Department to adopt such a major proposal. The fact that the Department was contemplating the California program was not known or understood in advance of the meeting, at least not more than a day, is problematic.

By that point, those who may be the most impacted weren't even paying attention to what the Department might be proposing. In preparation for these comments, I corresponded with several of our members who have heavy duty truck fleets. None were aware of this potential proposal. In fact, one company just responded to my outreach and the program's power point I sent them by saying "they must be completely disconnected from reality." Obviously more outreach and stakeholder meetings are needed.

As we have previously stated, the best way for the Department to get the input they need is to invite targeted groups to come in (or virtually) and discuss the proposal in more detail. As the state's largest business group, we would be willing to facilitate such a meeting. The Department should not rely on California to have done the proper homework on the efficacy of this proposal.

I will also remind the Department that such a major decision is best done in coordination and cooperation with the Legislature. This was certainly the case when the state decided to adopt the passenger vehicle EV program. The Legislature passed a law allowing our participation under prescribed circumstances. The Department should not be doing this on its own.

I also want to lay out several points that should be taken into account before the Department moves forward with this, or similar proposals:

- As previously stated, more and better targeted stakeholdering is needed;
- The Department must do an extensive analysis of costs, benefits, and technological feasibility, including the ability to affordably provide the energy needed. Costs should include all expenditures for trucks, equipment, and infrastructure. Feasibility should include the ability of manufacturers to produce these vehicles in the quantities contemplated as well as the ability to produce the electricity and charge the vehicles.

Burdens to be considered should include the impacts to the trucking community, most of whom are small, independent contractors;

- The Department should consider all fuels as part of the solution and need for the future. Hydrogen, natural gas, and biofuels should not be displaced by a total emphasis on electrification. Gasoline and diesel will continue to have a role as transportation fuels for decades to come. Developing technologies such as carbon capture and sequestration should be considered and be made part of the analysis and options;
- Mandates for electric vehicles could raise concerns not only with supply chain constraints but also the availability of certain critical minerals. Massive electrification would require significantly more critical minerals. Given challenges permitting new mines in the United States, our nation would overly be reliant on foreign nations for minerals needed for mass electrification.

Thank you again for the opportunity to comment and we look forward to further conversation.

A handwritten signature in black ink, appearing to read "Ray Cantor", with a long horizontal stroke extending to the right.

Ray Cantor
Vice President, Government Affairs